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How can you get this kind of quality protection for your home, your car, your business? Just see your local agent or broker of The Home Insurance Company. It's the thing to do!

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**BUSINESS WEEK—Sept. 8; NEWSWEEK—Sept. 17;
TIME—Sept. 17; U. S. NEWS & WORLD REPORT—Sept. 28;
NATION'S BUSINESS—October; TOWN JOURNAL—October;
AMERICAN HOME—October; BETTER HOMES & GARDENS—October.**

The NATIONAL UNDERWRITER

60th Year, No. 32
August 9, 1956

The National Weekly Newspaper of Fire and Casualty Insurance

Under 25 Bachelor Gives Auto Writers Difficult Problem

Doubling Rates Will Help but Won't Make Class Palatable, Leading Underwriters Say

The sharp increases in automobile liability rates for the young, unmarried male driver which are being placed in effect by the companies country-over focuses attention on one of the tough problems of automobile insurers.

This type of driver has never been an attractive risk to an underwriter. But in recent years the very substantial increase in the number of such drivers who own or principally operate automobiles and the rise in millions of miles traveled have combined to make it clear that the classification is a tragically poor one and isn't getting better. Also, the classification system has been developed to the point to which it will measure accurately just how bad the class is. The showing is dreadful.

Thoughtful underwriters agree that they have two things to do. They must continue to insure these drivers in the voluntary market. This is difficult enough. But at the same time many in the business feel a deep interest and a pronounced sense of responsibility in helping to make the class less hazardous—by education and other means.

The young unmarried male driver from now on is going to have to pay more of the claim cost which his class is incurring. Even so, each company can be expected, as is only fair and wise, to continue to guard against assuming too large a share of these risks, and some insurers are taking as few

(CONTINUED ON PAGE 18)

Highlights of the Week's News

Insurers ruled by lease as to rights of subrogation	Page 9
Added starters for ABA law convention	Page 12
New York speakers bureau expands	Page 15
Longshoremen get big benefit boost	Page 17
Major medical leads group covers to new peaks in 1955	Page 16
Protest support of compulsory by Michigan safety conference	Page 16
Interstate F.&C. is withdrawing from Butler Brothers group	Page 7
Federal enters London marine market, names London Assurance agents	Page 7
R. F. Stumpf sponsored by two ponds for grand keeper of Blue Goose	Page 11
Schedule advertising workshop for NAIA convention in New York	Page 11
R. E. Farrer joins United Pacific	Page 3
Nationwide Mutual has loss in first six months	Page 28
New York producers urge bi-centralization of files	Page 25
500 NACCAs meet at Los Angeles	Page 2
12 million suits filed in tanker-freighter crash bill	Page 2

CHANGES IN MARKETING COMING?

Best Insurer Stocks Still Choice Investment Despite Loss-Rate Cycle and Competition

For many years analysts of insurance stocks have been able to apply a rather definite set of yardsticks to insurance stock investing. J. William Middendorf II of the New York stock exchange firm of Wood, Struthers & Co., points out.

Taking the better operating plants and the larger companies with reasonably marketable securities, it was generally possible to relate buying and selling to the various stages of the rate cycle. Following a bad experience, it was generally assumed that the rates would be adjusted upward, and the better run insurance companies would feel the benefits following a two-year lag. Contrariwise, at the top of the rate cycle it was possible to view some of the stocks as rather fully priced.

In the insurance business today, however, Mr. Middendorf observes that the rules of the game are beginning to change somewhat. While it is true that the stock companies have survived in a healthy condition the intense outside mutual competition in the past, an ominous cloud has now arisen which may not leave the general run of companies unscathed. That, of course, is the direct writer competition.

In this day and age when insurance has become a vital necessity to everyday life and in some cases compulsory, it is not surprising that many of the better class of automobile risks cannot now be lightly put aside, certainly not ignored, by the old line companies, Mr. Middendorf believes. Competition from this corner may intensify rather than diminish. There are undoubtedly many classes of business in to which this competition will spread. There are, of course, many classes of business that are not receptive to this type of underwriting, but over-all the impact should be strongly felt.

There is no question that the underwriting results for the first six months of 1956 for most stock companies will be reasonably poor, he commented. Whereas there has not been a perceptible increase in the severity of claims,

there has, nevertheless, been a sharp increase in frequency. In prior years, with a background of such meager underwriting experience, bureau companies would have pressed for sharp rate adjustments. Today, however, it would appear that if the bureau companies followed this course, they would be playing directly in the hands of the direct writers, which are still experiencing satisfactory results at lower rates.

It looks like a situation "between the devil and the deep blue sea," but an industry with 100 years of satisfactory performance and loaded with capable men should not so easily be put off. Actually, Mr. Middendorf believes that, although gradual, there will be substantial changes in the method of writing business in coming years. The direct writers are more or less a symptom of the problem rather than the cause. The real problem seems to be the fact that the insurance buyer today has become more price conscious than before.

To engage for a moment in a controversial subject, he adds, it would seem that most vulnerable thing in this type of competition is the high renewal fee of the agent.

There is ample justification for the initial fee and possibly that is too low. In the case of life insurance, the agent's commission is a good deal higher on the initial sale, but it substantially reduced on renewals.

Like life insurance commissions there might be a valid argument for reducing the renewal commissions somewhat of the fire and casualty agents. For any one company to take such a bold step would, of course, be suicide. Even if a good number of companies went along with this plan, others would defect and it would not work. The stimulus must come from the agent himself, who will eventually be forced to adopt a long-range view to benefit the whole.

As insurers get further into multiple line, the evidence is that there will

(CONTINUED ON PAGE 28)

American of Newark and American Auto Sketch Merger Plans

Newark Company to Pay Special Cash and Stock Dividend in Exchange

Directors of American of Newark and American Automobile of St. Louis have approved a proposal to merge operations into a single integrated business.

Subject to approval of authorities and stockholders, the plan specifies that American Automobile stockholders will be able to exchange their stock on a share for share basis for Ameri-



Bruno C. Vitt



Robert Z. Alexander

can stock after capitalization of the later company has been adjusted. The adjustment will be effected by the payment of a special cash dividend of \$400,000, equal to 20 cents a share on the 2 million outstanding shares of American, and by a subsequent declaration of a 20% stock dividend by American to increase its capitalization to 2.4 million shares before the exchange of American Automobile stock.

Assuming the exchange of all of the outstanding shares of American Automobile stock on this basis, American would have an outstanding total of 4,150,000 shares after completion of the exchange. Not less than 80% of American Automobile's shareholders must approve the exchange. Regular cash dividend rate for that company has been \$1.20 a year as compared to American's \$1.30 annually.

Based on 1955 year end figures, combined assets would total \$310 million, and combined policyholders' surplus would be \$120 million. Combined net premiums written during 1955 were in excess of \$164 million.

The consolidation plan calls for the directors and officers of American Automobile to be elected to similar posts at American. Bruno C. Vitt, president of American, would be named chairman of the board, and Robert Z. Alexander, president of American Automobile, would be president.

The combined home office staff would be located in Newark, and the two companies' field organizations would be integrated. A registration statement, containing full details of the exchange offer, will be filed with Securities & Exchange Commission later this month, and the offering is expected to be made in September.

Late News Bulletins . . .

Bank Robbed Sunday, Paid Monday

Fidelity & Deposit Monday paid Meadow Brook National bank at Lynbrook, L. I., \$104,931 to cover the week-end burglary from its night depository of \$115,224. The difference was in checks. The bank said it would reimburse depositors who can prove the extent of their cash losses, but that in doing so it was assuming a moral rather than conceding a legal obligation. Contractually the money remains in the possession of the depositor until the depositor unlocks the bag in the bank and makes an actual deposit.

Flood Indemnity Bill Is Signed

President Eisenhower has signed the flood indemnity bill which sets up an authority with a maximum of \$5 million of "insurance." Insured will pay 60% and the government subsidize the other 40%.

"The full cooperation and active support of the private insurance carriers is an essential to the successful accomplishment of the act's immediate and ultimate objectives," the President said in a statement issued upon signing of the bill.

500 NACCAs Meet at Los Angeles; Eye Insurance Problems

LOS ANGELES—With approximately 500 delegates in attendance, National Assn. of Compensation Claims Attorneys spent all of the past week in convention here. The scheduled program hit on every phase of claims actions, and covered all classifications of insurance.

Officers elected were: President, Quitman Ross, Laurel, Miss.; secretary, Herbert L. Hirson, Los Angeles; treasurer, Joseph Schneider, Boston.

Workmen's compensation came in for its share of attention, the leading speaker on this subject being Arthur Larson, under-secretary of labor, who described what the Department of Labor's model workmen's compensation act can do to improve conditions. Mr. Larson contended that most of the state acts are more than 40 years old, and only eight have been enacted since 1920. He listed 14 changes that have brought a need for modernization in WC legislation, mentioning the advent of social insurance; public assistance; change in common law recovery; rehabilitation; atomic radiation and other new hazards; nervous and mental injury; third party suits; conflict of laws; overseas problems; new employment; second injury funds; industrial safety; administrative problems, and legal expenses.

Samuel B. Horowitz of Boston gave a talk on "What's Wrong with Workmen's Compensation Nationwide?" to open this session, posing the question of whether tort, railroad and admiralty injuries should be placed under WC. Then there was a round table discussion on the troubles with various state and federal workmen's compensation acts, participated in by delegates from 22 states.

Albert Averbach of Seneca Falls, N.Y., discussing "Effective Courtroom Use of Medical Books," said 70% of all litigated cases are in the personal injury field, and 70% of the PI cases are decided upon medical rather than legal issues. Medical literature, Mr. Averbach declared, should be used in two ways—in separation of medical proof necessary to offer a complete case, and in cross-examination of doctors.

Marion P. Betty of Los Angeles talked on "Res Ipsa Loquitur and the Malpractice Case," saying it is an established principle of proof in some negligent cases. In medical malpractice it is often necessary for the plaintiff to substitute this theory for expert medical testimony, he observed, since it is almost impossible in most of these trials to get a qualified physician or surgeon to testify for the plaintiff.

On the subject "Should you Plead Breach of Warranty in Food Cases," Herbert L. Hirson of Los Angeles said the plaintiff has more likelihood of succeeding if the facts present a proper case for suit on the theory of breach of warranty. There are four reasons for this, he said: Breach of warranty creates absolute liability, proof is less difficult to obtain and present, the scope for the defense is more limited, and contributory negligence probably does not bar recovery.

"Experience has demonstrated that frequently a rider who at first inquiry appeared to be a guest is in reality in contemplation of law a passenger," Theodore A. Horn of Los Angeles said in his talk "When Is a Guest Not a

Guest Under the Guest Statute?" He mentioned the apparent inconsistencies in appellate court decisions to emphasize his point that the courts have found factual situations as being sufficient to bring a rider out of the guest category into the passenger category.

"Comparative Negligence in Action" was discussed by Jerome Heilborn of Fort Smith, Ark., who described it as "a concept made concrete in law when the predominant philosophy held everyone was responsible for injuries suffered as a result of his own act." Contributory negligence in theory is a harsh doctrine, he contended, remarking that judges and laymen "agree" that the principle is basically unfair. Wisconsin, Nebraska, South Dakota, Mississippi, Georgia, Tennessee and Arkansas have now adopted some form of comparative negligence statute.

Walter R. Hart, justice of the New York supreme court, at a luncheon meeting, denounced a plan advocated by some jurists of doing away with jury trials in a number of personal injury suits. "Not a single logical reason has been advanced for the proposals to discontinue the right to a trial by jury in personal injury action," he argued.

"Audio-Visual Settlement Techniques," a paper prepared and delivered by Martin Berman of Los Angeles, outlined the minute detail necessary to make effective use of pictures improving a plaintiff's case.

In discussing the unlimited liability of an insurer despite the stated limits of a policy, William J. Pollock of Los Angeles laid stress on the question of good faith, citing more than a dozen cases, and contending an insurer should settle a case as if the liability is unlimited. "Actually, an insurer should, up to the stated limits of its policy, offer to settle for the same amount of money it would if its liability was unlimited," he said.

In a panel on civil aviation, there was discussion of detours around the Warsaw convention, making use of defendant's witness as plaintiff's expert, the use of aviation experts and where they can be found, circumventing limitations of liability in air crash cases, and liability of an airline when a crash has been caused by sabotage.

One series of panels dealt with the details of traffic accidents and investigation and this was participated in by a number of members of the Los Angeles police force who discussed such things as police investigations, release of accident information, physical evidence, intoximeter tests, etc.

Sullivan of Wash. to Have an Opponent in November

The candidacy of William A. Sullivan for reelection as Washington insurance commissioner in November has been contested by the late filings of Garland D. Connor Jr., associate editor of the *Pacific Northwest Underwriter*, Seattle, and Fred C. Becker, Seattle local agent, both Republicans.

Mr. Becker has been the Republican nominee for commissioner on three previous occasions, having run in 1940, 1948 and in 1952. In 1952 he was defeated by Sullivan, a Democrat, by a margin of about 50,000 votes over 900,000 ballots cast.

Fireman's Fund Names Smith Manager in Me.

Fireman's Fund group has appointed Sydney Smith state manager for Maine. He joined the group in 1929, was named Maine special agent in 1936 and state agent in 1952.

\$2 Million Suits Filed in Tanker, Freightier Crash

Two suits, seeking a total of \$2 million—\$1,200,000 on the hull and \$800,000 on the cargo, have been filed in Brooklyn federal court as a result of the collision July 23 of the Pan Atlantic Steamship Corp. freighter, *Fairisle* and the Panamanian tanker *San Jose II*.

Among the 47 firms seeking recovery on the cargo are Atlantic Mutual, Hanover Fire and Home. The cargo consisted of wood pulp board, canned goods and other items of general cargo, according to the complaint.

The libel and complaint charges that the collision and resulting loss of or damage to the cargo were occasioned in whole or in part by reason of "fault, neglect and want of care on the part of the *San Jose II*."

The suit regarding the \$1,200,000 for loss of the *Fairisle* was filed by Pan Atlantic Steamship Corp., a Delaware corporation, owner of the *Fairisle* against *San Jose II*, her engines, boilers, etc. and Cia Maritima Panama, S. A., her owner.

Kerlin, Campbell & Keating of New York City are proctors for the libellant, Pan Atlantic Steamship Corp., Bigham, Englar, Jones & Houston of New York City are proctors for the 47 firms seeking recovery on the cargo.

Both complaints, similar in wording, state that the *Fairisle* was enroute from Tampa, Fla., to Port Newark, N.J., when the collision occurred four miles south of Ambrose Lightship just outside New York harbor. They charge that the *Fairisle* encountered fog and proceeded at reduced speed, sounding regulation fog horn signals at less than one-minute intervals. Just before the collision, the complaints state, the fog signal of the lightship was heard on the *Fairisle* and then there was a two-blast signal about four points on the port bow from a vessel, identified as the *San Jose II*, which appeared in a matter of seconds to port, in a position to pass clear on the port side of the *Fairisle*. Again there was a two blast signal, from the *San Jose II*, she was altering her course left toward the *Fairisle*. The *Fairisle* sounded danger signals, ordered the rudder hard right and engines slowed, then ordered them quickly full astern and full ahead, as the *San Jose II* bore in toward the port side of the *Fairisle* at high speed, the complaints continued.

After the crash the seven passengers on the *Fairisle* and some of the crew were put into lifeboats and rescued by

N. Y. Automobile Club Stops Insurance Letter

A letter used for solicitation of insurance which was sent to members of Automobile Club of New York by A.C.N.Y. Agency Co. has been withdrawn at the request of New York department. The department acted on a complaint by Greater New York Insurance Brokers' Assn.

In addition to advising the insurance department that the automobile club agency was allegedly engaging in unfair trade practices in the use of the letter and the membership list of the non-profit automobile club, the brokers also sent the letter to the state attorney general's office.

Affairs of both the agency and the automobile club are presently under inquiry by the attorney general and by the insurance department after charges that the agency had too strong a hold on the automobile club.

a coast guard cutter. The *Fairisle* was assisted into Gravesend Bay off Brooklyn where she ultimately listed over on the starboard side. The complaints state that she, with her cargo became a total or constructive total loss.

Both complaints seek to have the *San Jose II* condemned and sold to satisfy the claims.

Among other charges in the complaints is that the *San Jose II* was unseaworthy at the time of the crash. The *San Jose* was outward bound after discharging a cargo of oil at Newark when the crash occurred.

The *Fairisle* was offered for sale this week in advertisements which invited bids for her purchase as she now lies in damaged and partly submerged condition in Gravesend Bay. Any cargo remaining on board is excluded from the sale.

Charges Italian Liner With Negligence

The Swedish American line filed suit in federal court in New York asking for an adjudication of non-liability as a result of the collision between the line's motorship *Stockholm* and the Italian line's *Andrea Doria*. The suit charges the *Doria* with negligence on several counts, including excessive speed, sudden and unexpected veering across the *Stockholm* bow without proper warning, etc. Much of the \$3,900,000 *Stockholm*'s bow was sheered off in the collision, which sent the \$30 million *Doria* to the bottom of the sea 40 miles off Nantucket.

If the court does not free the *Stockholm* of liability, the suit asks liability to be limited under American law or the Brussels Convention of 1924. For this purpose the value of the *Stockholm* in present condition and freight is placed at \$3,021,655 and the Swedish line has furnished surety in that amount to the court. About \$3 million worth of suits already have been filed against the *Stockholm* for bodily injury, personal belongings and cargo. Repair of the *Stockholm* has already been estimated at almost \$1 million. The *Doria* hull was insured for \$16 million.

First Contract Under New Federal Road Program Is Bonded for \$1.5 Million

A \$1,526,360 performance and payment bond covering the first contract to be let under the new federal \$13.5 billion road-building program has been originated by American Automobile. Fidelity & Deposit is co-surety.

The bond covers construction of the elevated Third street highway in St. Louis. It was let by Missouri highway department, and the contractors are Fred Weber and Millstone Construction, both of St. Louis.

45 at General of Seattle School

The fire, casualty and surety school now in progress at the home office of General of Seattle, has a class of 45 agents. The sessions began July 9 and will conclude Aug. 17. There are 40 instructors at the 11th annual session. Graduates will receive engraved plaques from President W. L. Campbell.

Clinton J. Karst, head of the C. J. Karst agency of St. Louis, on Sept. 1 will become executive vice-president of the Bowersox agency there which is headed by Calvin H. Bowersox. Mr. Karst has been in insurance since 1933, beginning with Aetna Casualty. He has operated the Karst agency since 1947. He is currently vice-president of Insurance Brokers Assn. of St. Louis.

R. E. Farrer Joins United Pacific

Richard E. Farrer, secretary since 1951 of National of Hartford group, has joined United Pacific at the head office in Tacoma in an executive capacity.



Richard E. Farrer

Mr. Farrer has been in insurance for 24 years, beginning with Western Adjustment in 1932. In 1940 he went with Home in the Michigan field and later was state agent in Michigan for New York Underwriters. He joined the National Assn. of Insurance Agents as educational director in 1946 and made quite a record in revising the educational program of NAIA and getting agents to participate in it.

In 1950, Mr. Farrer went with National of Hartford group as director of training, becoming secretary the following year. He was one of the first in the country to receive the CPCU designation.

Robert F. Thimman has been advanced by United Pacific to underwriting manager of automobile and miscellaneous casualty lines at Los Angeles, and will also supervise fire and inland marine underwriting. Mr. Thimman began his career with Central Surety at Los Angeles and subsequently was with General Agencies of New York, Ray Rosendahl Co. and Harbor Ins. Co. as underwriting manager until joining United Pacific in 1953.

La. Assn. of Mutual Agents Plan Annual for Aug. 16-18

Louisiana Assn. of Mutual Insurance Agents will hold its annual convention Aug. 16-18 at Edgewater Gulf, Miss.

Beginning the business meeting Aug. 17 will be a discussion of the national viewpoint by Earl Lamb of New York City, president of NAMIA. A sales panel will take up most of the morning. Panelists and their topics are C. K. Stephenson, vice-president of Jackson & Brunson, insurance company managers of Jackson, Miss., on casualty insurance; R. K. Fowler, manager of the multiple peril department of Indiana Lumbermen's Mutual, Indianapolis, on package policies; and Everett J. Raabe, assistant secretary and manager of the inland marine department of Central Mutual of Van Wert, O., on mercantile block.

That afternoon George Haskell of American Mutual Alliance will discuss mutual company tax problems.

On the second day R. M. Troy of Monroe, La., Dave Flemming of New Orleans and Earl Brown of Fort Worth, Tex., will discuss agents' viewpoints. James D. Hill, district representative of National Safety Council, will discuss safety, and L. E. Throgmorton, vice-president and director of public services of Republic National Life, will discuss putting life insurance in the all lines agency.

The convention will open with a cocktail party, courtesy of W. J. Perryman & Co., general agents of Birmingham, Ala., the evening of Aug. 16, and a bingo party. The speaker at the annual luncheon will be Charles T. Evans, assistant to the president of Arkansas Power & Light Co., Little Rock.

Louisiana Independent Adjusters Assn. will sponsor coffee breaks during the program sessions and a break-

fast the morning of Aug. 18. A golf tournament has been scheduled as well as a cruise on a Pan-American clipper. The convention will end with a banquet and plantation party.

Provisions have been made for children of persons attending the convention and the first evening there will be supervised play, a party and a movie, the second day a picnic and swimming party, and the final night a plantation party banquet and a movie.

The Paul Schlich agency of Louisville has moved to larger quarters at 4003 Frankfort avenue in suburban St. Matthews.

\$200,000 Damage in Chemical Explosion

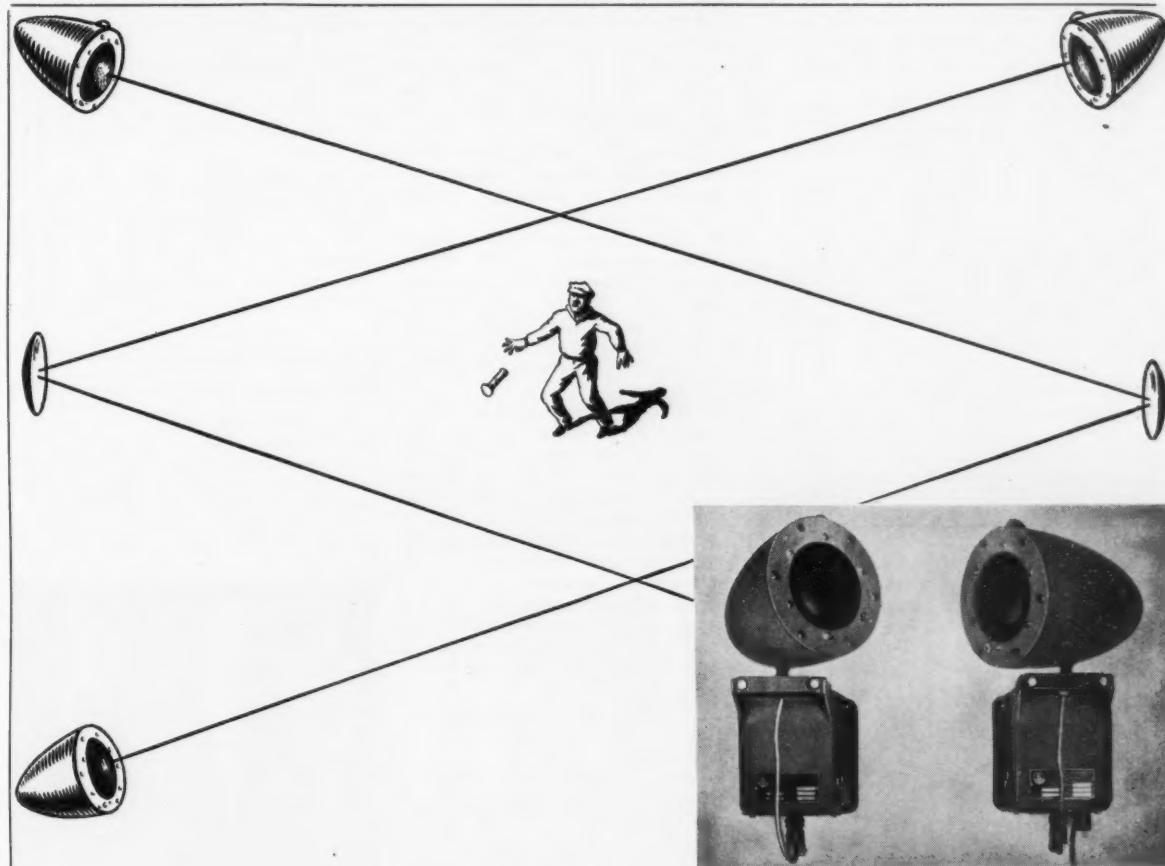
An explosion in a plant of Olin-Mathieson Chemical Corp. at Niagara Falls, N. Y., did more than \$200,000 damage, killed two and injured 18 workmen. The building in which the explosion occurred was demolished and several others damaged. Damage to equipment had not been estimated at midweek.

The corporation's fire schedule is in Factory Insurance Association but explosion coverage is written separately.

Hayes Appointed La. Commissioner

Gov. Long of Louisiana has appointed Rufus D. Hayes commissioner to succeed Wade O. Martin Jr., who is secretary of state. D. A. Guglielmo has been named deputy commissioner. The new department is staffed essentially with the name employees who worked under Mr. Martin.

Olin-Mathieson is a Marsh & McLennan line.



NEW THIEF TRAP: INVISIBLE LIGHT!

Here, at last, is real burglar protection for areas which previously were considered too spacious to protect effectively — or at reasonable cost. Its name — the Kidde Photo-Electric Burglar Alarm System. Here's how it works:

The system (pictured in the small photo) consists of a projector and a receiver — two cone-shaped units, 10½" long and 6½" in diameter.

The projector, equipped with a special filter, converts the light rays into an invisible beam of "Black" light, then transmits it to the receiver. Any interruption of this beam triggers an alarm instantly!

The system is tamper-proof. The "beam" is "modulated" — alternating at a set number of cycles per second. Any attempt to bypass the system by substituting an-

other light beam disturbs the frequency and causes the alarm to sound! Cutting off the beam triggers the system.

Using transistors instead of vacuum tubes, the Kidde Photo-Electric system eliminates tube replacement problems and minimizes service worries.

With the Kidde system, no expensive, special wiring is required. It can be installed simply and easily by one man.

Each "beam" has an effective range of up to 900 ft., and through the use of mirrors can be "bent" to an angle of 90°. This makes the system ideal for guarding out-of-doors areas and large indoor spaces.

Underwriters' Laboratory approved, the system is moderately priced. For more information about Kidde "Invisible Light" protection, write Kidde today.

Walter Kidde & Company, Inc., 844 Main St., Belleville 9, N. J.

Walter Kidde & Company of Canada Ltd., Montreal—Toronto



Baum to Succeed Ramsdell at FIA as Comptroller

T. Y. Ramsdell, comptroller of Factory Insurance Association will retire Sept. 1 after 50 years with the organization. E. W. Baum, assistant comptroller, will succeed him. In other changes, E. A. Caruso, chief accountant in the eastern regional office, has been named assistant comptroller, and Peter P. Van Rye, supervisor in the accounting department, will succeed him.

Mr. Ramsdell worked as a clerk, supervisor of accounting and chief accountant before being named comptroller in 1936.

Mr. Baum went to FIA as office manager and chief accountant in Chicago in 1939. He was named assistant comptroller in 1950.

Mr. Caruso started with FIA in 1931 as a clerk in the underwriting department. He subsequently became manager of the accounting and statistical department and chief accountant in the eastern regional office.

Mr. Van Rye started in the accounting department in 1938.

Iowa Agency Honored

CEDAR RAPIDS—The officers and staff of the L. H. Stubbs & Co. agency were honored by the Springfield F.&M. for 85 years of continuous association. The company gave a dinner at the Cedar Rapids County Club. Two Springfield representatives, State Agent Fred Reiner, and Chicago agency superintendent T. W. Arey, presented gifts to A. C. Hoblitzell, president of the Stubbs agency. The agency began its association with Springfield F. & M. in 1871. It was known then as Cook & Pomeroy. The name has been changed several times but has been known by its present title since 1917.

Zurich Makes Seven Changes, Promotions

Zurich has made a number of staff changes and promotions.

W. W. Chalmers, assistant U. S. manager and counsel, relinquishes his head office claims department duties to assume management direction of the fire, personnel, agency, legal and claims departments.

D. W. Shand Jr., assistant secretary, relinquishes his present responsibilities, except for the personnel department, to assist Mr. Chalmers.

L. W. Miller, assistant U. S. manager at Chicago, in addition to his present management direction of casualty, burglary and fidelity underwriting, and the conservation, history and audit departments, will assume such direction of the boiler-and-machinery department.

P. R. Brislen, superintendent of underwriting, is promoted to assistant secretary. He will supervise casualty, burglary and fidelity underwriting and will assist Mr. Miller in all areas under Mr. Miller's supervision.

F. A. Holderman, superintendent underwriting services, is promoted to assistant secretary at Chicago. In addition to his present activities, he will extend his insurance department contacts and serve as underwriting liaison with the agency department for new business production.

C. M. George, attorney in the head office at Chicago, is promoted to assistant counsel.

P. L. Kohn, administrative assistant, eastern department, is promoted to assistant secretary. He will assist W. E. Bowser, deputy U. S. manager in charge of eastern department operations.

Boston Fire Rates Hiked to Spur Slum Clearance Project

Boston fire insurers, cooperating with Mayor Hynes, have increased fire rates to \$4 per \$100 on nearly 100 ramshackle dwelling units in the city to encourage slum clearance.

Mayor Hynes appointed a committee of bankers to investigate the mortgage and insurance aspects of the problem. Boston Board gave its member companies a list of 400 dilapidated and abandoned properties and New England Fire Insurance Rating Assn. compiled a list of properties found practically uninsurable by its inspectors. The bankers' committee, however, said that the number of dangerously dilapidated buildings in the Boston area is far greater than that listed by city officials or insurance inspectors and may total as high as 2,000.

The high rate, companies said, is not intended to boost revenue but to discourage insuring of fire traps. Even if the high rates and warning to underwriters leaves the fire trap uninsured, the rating association said, the \$4 rate will increase specific rates of nearby buildings through exposure charges, and it is hoped that neighboring landlords and homeowners will become sufficiently aroused to demand action.

Quincy Mutual Fire, General of Trieste and Venice, Central Standard Indemnity and Wabash Fire & Casualty have been licensed in Texas.

Hartford Fire Group To Consolidate Offices in Minn.

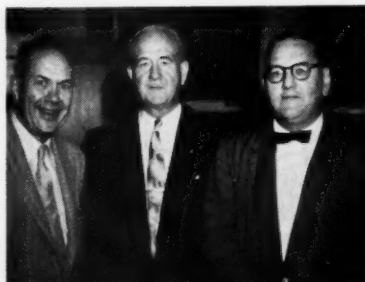
Hartford Fire group will consolidate its Minneapolis and Minnesota offices Oct. 1 in new offices at 15 south Ninth street, Minneapolis. The new offices will occupy the entire second and third floor of the building and portions of the first and fourth floors.

Field offices of Hartford Fire and the home offices of Northwestern F.&M., Twin City and Citizens will move from the New York Life building in Minneapolis where they have been housed for many years. Field offices of New York Underwriters and Hartford Accident will also move into the new offices. C. W. Hall is president of Northwestern F. & M. and supervises operations of Twin City and Citizens in 15 midwestern states. Arthur B. Johnson is manager of Hartford Fire's Minneapolis field office. Walter E. Nordell, special agent, is in charge of the Minnesota field office of New York Underwriters. John C. Bowers heads Hartford Accident's field operations.

Chicago Casualty & Surety Managers Hold Golf Outing

The annual golf tournament and outing of Assn. of Casualty & Surety Managers of Chicago was attended by some 50 members and their guests, including members of the Illinois department.

The outing, traditionally held at Olympia Fields country club, was a-



Photographed at the golf outing of Assn. of Casualty & Surety Managers of Chicago by Harry H. Fuller, midwest manager of National Bureau of Casualty Underwriters:

Top—Roy L. Davis, midwest manager of Assn. of Casualty & Surety Companies; James Ross of the Illinois department, and Donald K. Weiser, manager of Aetna Casualty.

Bottom—H. N. Douglas, resident vice-president of New Amsterdam Casualty and chairman of the outing committee; B. A. Sifford, casualty manager of Fireman's Fund group, secretary-treasurer of the association, and George H. Maloney, vice-president of Hartford Accident.

gain under the able supervision of H. N. Douglass, resident vice-president of New Amsterdam Casualty and chairman of the outing committee for more than 15 years. In addition to the

golf tournament, there were recreational features for non-golfers.

Richard H. Tillotson, Chicago manager of American Surety and president of the association, extended the welcome to members of the department and other guests.

Winners of the principal golf prizes were J. S. Richardson, resident vice-president of Standard Accident; Donald K. Wieser, manager of Aetna Casualty, and J. L. Maehle, retired manager of American Surety.

Hail Loss on Tobacco Heavy in Kentucky

Hail loss on tobacco in Kentucky has been heavy this season. There have been several hail storms, the worst of them the one of July 28 which swept through a wide belt from the northeast part of the state nearly to the Tennessee line.

It is reported there has been so much hail damage to tobacco that outside adjusters have been called into Kentucky. From the July 28 hail indications there will be more than 5,000 claims. Home has more than 800 losses from that storm, and Aetna Fire, Springfield F. & M., North America and Hartford are among the others hard hit.

St. Louis Paper Reports on Ill. Insurance Placement

ST. LOUIS—The St. Louis Post-Dispatch in its issue of Aug. 5 carried a special story by a staff correspondent charging that virtually all of the bond and insurance business of Illinois departments under Gov. Stratton of Illinois has gone to an insurance agency headed by the late Edward H. Alexander, Republican politician and former secretary of the state senate, and Clement H. Noll, Alton insurance man and "Stratton Democrat" in the 1952 campaign. The story was based on a survey of the Illinois bond and insurance business that had been conducted for the paper.

The special story continues: "Records in the voucher control office of the Illinois department of finance showed that premiums on bonds and insurance during the Stratton administration have totaled \$80,366, of which \$76,437 went to the Maryland Casualty and Continental Casualty, represented by Alexander & Noll. Agency commissions on this business amounted to slightly under \$19,000.

"In both the Green and Stevenson administrations prior to Stratton's, most of the bond and insurance business went to Fidelity & Deposit, the records showed. Inquiry disclosed the accounts then were handled directly by the company's Chicago office, with commissions going to various local agents throughout the state as directed by the state department concerned.

"Since 1953 the accounts for the most part have been handled directly by Alexander, before his death, and Noll.

"Gov. Stratton in an interview denied having anything to do with the C. & E. Agency (C stands for Clem, E for Eddy) getting the business, and added that so far as he knew, no one else on his staff directed it.

"I would say that Ed Alexander got the business because he went after it," Stratton asserted. "Certainly he was well known around the capitol and was likely to be on hand when a bond was needed. I don't suppose anyone would expect the business to go to someone knocking the administration."

E. Lloyd Rogers, assistant manager of the agency department of Travelers, has joined the Terwilliger agency of Ellenville, N. Y., as secretary.

The Huston agency of Louisville, which in 1954 was purchased by Harry C. Inman Jr., is now titled Inman Insurance Service.



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N.C. Approves But "Freezes" Deviation of North America

North America again has won Commissioner Gold's approval of a 10% deviation in rates on fire, extended coverage and homeowners policies in North Carolina. However, the commissioner froze the deviation to bureau rates as of Sept. 1.

There was no immediate indication whether North Carolina Fire Insurance Rating Bureau and opposing companies would appeal. Last winter they obtained a superior court reversal of an order approving the deviation. The court sent the matter back to the commissioner for a hearing.

As approved by the commissioner, the 10% deviation applies to all classes of fire and extended coverage except mercantile contents, warehouses and storage and manufacturing risks other than public utilities.

In the past deviations have fluctuated in relation to bureau rates. Now, Mr. Gold indicated, if a company shows conclusively that its expenses are low enough to grant deviation and a reasonable profit can still be anticipated above the 50% loss ratio adjusted to reflect the deviation, the company should enjoy a deviation which fluctuates with bureau rate changes. If the company seeking the deviation does not have expenses low enough to show the foregoing conclusively, it should be granted a stationary deviation if its operation has been successful, its loss ratio favorable and its policyholders surplus substantial.

He said North America was a borderline case since it did not show conclusively that expenses alone were low enough to reflect a profit with the 10% deviation.

WC Rehabilitation Parley Scheduled for Sept. 27

New York State Workmen's Compensation Board will hold a conference on rehabilitation of sick and injured workers at Sheraton-Astor hotel, New York, on Sept. 27. Gov. Harriman is expected to make the major address.

Participating in the talks will be Miss Angela R. Parisi, chairman of the state WC board; Dr. Paul H. Hoch, New York state commissioner of mental hygiene; Howard A. Rusk, director of Institute for Physical Medicine & Rehabilitation; Dr. Henry Kessler, director of Kessler Institute; Assemblyman Ostrander, chairman of the joint legislative committee on industrial and labor conditions, Joseph Shaw of Associated Industries of New York and Thomas J. Miley, president of Commerce & Industry Assn.

Standard Accident Winds Up Regional Conferences

Key personnel from the San Francisco, Seattle and Los Angeles offices of Standard Accident attended a two day meeting in San Francisco this

week. The conference is the final of a series being held throughout the country to discuss subjects of general interest, and production, field coordination and claim operations in particular. Previous meetings were at New York, Chicago, Cincinnati, Philadelphia, Boston, New Jersey, Washington, D. C., Dallas, St. Louis, Minneapolis, and Detroit.

Paul Wilson, senior vice-president, was in charge at San Francisco.

Insurance Women of El Paso (Tex.) at their August meeting heard a discussion of Texas insurance laws and rating procedures by Lowdon Wingo, El Paso local agent.

Fire Association Names McPherson Pacific Coast Assistant Manager

Stanley E. McPherson has been appointed assistant manager of the Pacific coast department of Fire Association group. He succeeds Charles W. Rogers, who resigned to join the staff of W. H. McGee & Co. in an administrative capacity.

A 40-year veteran of Pacific coast insurance circles, Mr. McPherson has been production manager for Fire As-

sociation for two years since leaving the New Zealand companies, where he had been assistant manager of the U.S. head office in San Francisco.

Traders & General Names Estes at New Orleans

David A. Estes has been named manager at New Orleans for Traders & General of Dallas.

Mr. Estes joined the company five years ago as a claims adjuster and for the past several years has been Louisiana special agent.

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Interstate F.&C. Is Withdrawing from Butler Bros. Group

Interstate Fire & Casualty of Illinois has indicated that it is withdrawing from the group mercantile block coverage it wrote for Ben Franklin stores through Butler Brothers of Chicago. The approximately 2,400 Ben Franklin stores over the country purchase merchandise from Butler Brothers under a franchise arrangement through the stores are individually owned.

Interstate expects to have the coverage cancellation instructions issued by Aug. 15, to allow insured to make necessary arrangements for protection. In withdrawing, Interstate indicated that it has always secured all of its business from agents and brokers, and that when the Butler Brothers group program ran into opposition from producers, the company decided to withdraw. The program also was received unfavorably by some insurance departments. These reactions, Interstate makes clear, were entirely unexpected by it.

More States Okay Filings of IMIB

Inland Marine Insurance Bureau, in giving the status of recent filings, stated that the furriers block policy now is applicable in all jurisdictions in which the bureau is licensed except Louisiana, in which furriers' block is not classified as inland marine. The furriers customers insurance now is applicable in all jurisdictions in which the bureau is licensed.

Travel baggage insurance is applicable in all jurisdictions except Texas in which the bureau believes the form and rates may be used pending final action by the state.

New revisions on the equipment dealers policy have been approved in Alabama, Hawaii, Kansas, Minnesota, New Hampshire, Pennsylvania and Rhode Island, in addition to the states in which it previously was approved.

Alaska, Michigan and Pennsylvania have approved the new personal property floater rate and rule revisions.

New Georgia Rating Bureau Executives

ATLANTA—T. P. Harris and H. R. Treece have been appointed assistant managers of Georgia Inspection & Rating Bureau. Mr. Harris started as an engineer with Southeastern Underwriters Assn. in 1940 and transferred to the Georgia bureau last February. Mr. Treece has been with the bureau since 1953.

G. H. Parker has been made bureau engineer. He came with the organization at the same time as Mr. Harris, having been with SEUA since 1948.

The retirement of E. H. Dennington as manager became effective Aug. 1. He has been on leave absence because of illness for several months. L. V. Cantey, who has been acting manager during the reorganization necessitated by Mr. Dennington's illness, will continue in this capacity for a few more months, after which he expects to return to Montgomery as assistant manager of Alabama Inspection & Rating Bureau.

Nationwide Mutual Promotes Three

Calvin Kytte, Davis Douchit and J. B. McClintock have been promoted by Nationwide Mutual. Mr. Kytte becomes director of public relations, and Mr.

Douchit succeeds him as director of public information. He has been editor of employee publications.

Mr. McClintock has been named to a new post as director of administrations, supervising administrative services relating to accounting, statistics, regional budget, plans, systems, communications. He has been at the Philadelphia office of Nationwide Mutual.

The McCoy-Robbins agency of Kokomo, Ind., has purchased the W. E. Lightfoot agency, 220 West Walnut street, and has moved to that address.

Federal Enters London Marine Market, Names London Assur. Agents

Federal of Chubb & Son will enter the London marine market Sept. 1, and has appointed London Assurance marine underwriting agents for Great Britain.

Since 1899 Chubb & Son has been managing the marine operations of London Assurance in New York. Fed-

eral's operations in the British market will be under the supervision of Harold H. Mummery, underwriter of London Assurance.

N. Y. Regional Meeting Dates

The dates and locations of regional meetings of New York State Assn. of Insurance Agents are Oct. 8, Olean; Oct. 9, Buffalo; Oct. 10, Rochester; Oct. 22, Tupper Lake; Oct. 23, Utica; Oct. 24, Schenectady; Oct. 30, Garden City; and Nov. 1, Orange county.



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Cal. Buyers Hear Talk on Surplus Line Market

Maynard Garrison, San Francisco attorney, and John Field, vice-president of Philip Antrobus Inc., discussed the surplus line market in California at the July meeting of the northern California chapter of American Society of Insurance Management in San Francisco.

Mr. Garrison said the word "surplus" might give the wrong impression because business handled by sur-

plus underwriters is not surplus but is protection not offered by the domestic market. He stressed that the very heart of the surplus line law prohibits non-admitted companies from writing coverages available from domestic insurers.

Mr. Field pointed out that the non-admitted market refers not only to underwriters in Lloyd's but many other companies also. He said surplus line underwriters understood their function in the insurance markets of California and were not unduly disturbed when

domestic underwriters decided to write certain classes of business which they had previously refused to write. Because the underwriting situation is constantly changing and domestic underwriters are writing certain classes of business today that they will not wish to write next year, he said, premiums that are lost in one classification may be replaced from another classification.

Rhode Island Mutual has been licensed in Vermont.

Auto Rates Revised in Ky. and Ohio

Rate reductions of \$1 to \$11, rate increases of \$1 to \$7, and unchanged rates were promulgated in Ohio by the National Bureau of Casualty Underwriters, effective Aug. 1. These are for cars not operated by bachelors under 25. Cleveland suburban, Ashtabula, Canton, Dayton, Loraine, Niles, Toledo and Warren and their vicinities, all of Lake county and all of Mahoning county except Youngstown and Alliance and their vicinities, get reductions. Youngstown and vicinity get reductions except for cars used in going to work 10 or more miles one way. For these latter cars the rate remains unchanged. Men under 25 who are married or who are not owners or principal operators get increases of \$1 to \$11 in some territories. However, in some territories where experience has improved, rates remain unchanged or are reduced \$1. The bachelor under 25 gets a boost of \$12 to \$35, depending upon territory.

National Automobile Underwriters Assn. has reduced intermediate and long distance hauling risks for fire and comprehensive 10%. Collision for most deductibles for intermediate hauling risks and for long hauling risks are reduced 10%.

Also as of Aug. 1, National Bureau revised rates in Kentucky. For Ashland and vicinity, rates for cars without male operators under 25 are revised rates in Kentucky. For state these rates are increased \$1 to \$10. For Covington and Newport and vicinities the rate remains unchanged for cars without male operators under 25, and not driven 10 miles.

Rates for cars owned or operated by married men under 25 and by men under 25 who are neither owners nor principal operators are increased \$9 to \$14, except for Ashland and vicinity where the rate remains unchanged.

For the bachelor under 25, increases are from \$21 to \$38.

Mutual Insurance Rating Bureau, Aug. 1, increased private passenger automobile liability rates in Kentucky. The statewide effect is a 12.7% average increase, consisting of a 15% increase in BI and a 10% increase in PDL.

Travelers Opens New Medical Laboratory

Travelers has opened a modernized medical laboratory in a fourth floor section of its new building at 740 Main street, Hartford. It replaces the laboratory in the older building next door.

Decorated in pastel shades with vinyl asbestos floor tiling, the new unit contains the latest equipment for making upwards of 43,000 tests annually for employees and life insurance applicants. In the acoustically designed ceilings are vents and diffusers for bringing in fresh air. Sinks, a modern new autoclave for sterilizing, the refrigerator and acid test tables are of stainless steel.

The laboratory is under the charge of Dr. N. D. Gaines. It is a part of the company's department of medicine and hygiene, headed by Dr. Richard C. Whiting.

NYC Agents Golf Date Sept. 13

New York City Insurance Agents Assn. will hold its annual golf party Sept. 13 at Rockville Country Club, Rockville Center, L. I. Agents will compete for the Hooper-Holmes memorial trophy and the president's cup in addition to other prizes. John C. Weghorn, Clarence Fuss, William Hantsler, Alan Eiffert and Harry Legg are in charge of the party and tickets.



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OHIO APPEALS COURT

Insurers Ruled by Lease as to Rights of Subrogation

Insurers have a right of recovery against a tenant only if that right is vested in the landlord, Ohio appeals court at Cleveland ruled in U.S. Fire vs Phil-Mar Corp.

Phil-Mar leased two contiguous industrial buildings from the J. Spang Baking Co. for the manufacture of lamps and lamp shades. The lease began May 1, 1948, and on Nov. 2, 1949, the two buildings were substantially damaged by a fire which originated in Phil-Mar's lacquer spraying department while its maintenance man was repairing the lamp shade spinning mechanism with an acetylene torch.

Insurers of the Spang property paid Spang \$100,281 for the loss. Of this sum, \$70,445 was paid by companies in the present action. Hanover Fire, Fidelity-Phenix and Philadelphia F. & M., which had paid \$17,404, withdrew from the appeal, which reduced the amount involved in the appeal to \$53,041.

Insurers sued Phil-Mar for recovery, claiming negligence. Phil-Mar conceded, for purposes of the appeal, that the fire was caused by its negligence, that the insurers were subrogated to any right of recovery which the landlord, Spang, had, and that a tenant is liable to its landlord for injuries to the reversion caused by the tenant's negligence—if landlord and tenant had not made a valid agreement to the contrary.

However, the lease of Spang with Phil-Mar contained an agreement by which Phil-Mar was to pay Spang any increase in insurance rates due Phil-Mar's use of such materials as lacquers, thinners, oils, plastics, etc. When the lease was negotiated the Spang fire rate was 92½ cents, but this went up to \$1.92½ when Phil-Mar occupied the building.

In the surrender clause of the lease Phil-Mar agreed to deliver or surrender to Spang possession of the premises in good condition, etc., except for loss by fire and ordinary wear and decay.

The appeals court regarded the latter arrangement as the key one in the entire issue. Did landlord and tenant intend that only fires were included which started through pure accident or by an act of God—or did they intend that the agreement should be an exculpatory clause releasing Phil-Mar of any responsibility whether or not the fire was caused by its own negligence?

The court pointed out that the person who insures his property against damage by fire knows that he is covered by any loss by fire regardless of the causation, deliberate purpose excepted. That is common knowledge, the court said. It seems reasonable to believe, the court then observed, that Spang and Phil-Mar intended that the phrase "loss by fire" in the lease have the identical connotation that it has in an insurance policy. Such reasoning makes it patent that the phraseology "loss by fire expected" in the surrender clause was intended by the parties to mean that Phil-Mar in case of fire, even though due to its negligence, be absolved from "delivering up and surrendering the premises in as good condition and repair as it was at the commencement of the lease term."

The court said it would be unthink-

able to believe that businessmen of intelligence would agree to share the financial burden of fire insurance on premises leased to them to house a highly hazardous manufacturing undertaking without expecting to enjoy the same immunity from personal liability from any fire occurring on the premises that the owner, who contracted with them for such participation in the payment of the premiums, himself would enjoy. The owner-lessee would be absolved from responsibility to an insurer of fire loss due to negli-

gence. The lessee-tenant under those circumstances should likewise be.

McCreary, Hinslea & Ray appeared for the insurers. Mooney, Hahn, Loeser, Keogh & Freedheim represented Phil-Mar.

Republic Indemnity Gets \$500,000 Group Life Plan for Employees

A half million dollar group life program for employees of Republic Indemnity has been issued by Manhattan Life through the Richard M. Grosten Agency of Los Angeles.

Premiums are paid by Republic and the value of the policy varies from \$1,500 to \$20,000 depending on the employee's salary and length of service. Republic also has hospitalization, profit sharing and retirement plans as part of its employee benefit program.

Hull Syndicate Changes its Name

American Marine Hull Insurance Syndicate has changed its name to American Hull Insurance Syndicate and has published a booklet describing its history, composition and purposes.



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THE BRITISH AMERICA ASSURANCE CO.	Incorporated 1833	123 Years
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	119 Years
THE WESTERN ASSURANCE COMPANY	Incorporated 1851	105 Years
		613 Years

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New Fla. Branch of American Surety

An open house marked the opening of the Jacksonville office of American Surety on the 17th floor of the Prudential building. William E. McKell, president; Randolph E. Brown, vice-president, and Alfred H. Edwards, sales promotion manager, attended from the home office.

James E. Rhodes, formerly assistant manager at Atlanta, is manager of the new office. The branch, supervising all Florida operations, brings to 41 the

number of the company's production offices in the U.S.

The company entered Florida in 1893, nine years after it was organized. During the years it has bonded or insured many of the state's outstanding projects such as highways, bridges and defense installations, including Camp Blanding.

Venable Promoted in Ohio

William L. Venable, state agent in Ohio for Fidelity & Guaranty Underwriters for several years, has been named assistant manager at Columbus for U.S.F.&G.

Buyers to Conduct Seminar Sept. 26-28

American Society of Insurance Management will hold a seminar on risk management for the corporate insurance manager at University of Connecticut, Sept. 26-28.

The morning sessions will consist of lectures. The lecturers will moderate afternoon discussion groups on morning subjects. The evening classes will take up current problems affecting individual insurance managers.

Lecturers and their subjects will

be B. E. Kelley, U. S. Plywood Corp., proper analysis of exposures; Delbert A. Betterley, Worcester, Mass., consultant, "What to Do About It" and Alexander Ellis Jr. of Fairfield & Ellis, Boston, special hazards.

Also, David H. Winton of Johnson & Higgins, individual experience and its effect on rating plans; Richard H. Butler of Travelers, compensation rate making and Stanwood L. Hanson of Liberty Mutual, cost reducing methods and new developments in rehabilitation.

Also, Arthur V. Roberts of Citizens Casualty, placing the special risk in the overseas market, and Harry J. Loman, dean of American Institute, on development of manpower for insurance and risk management.

Sprinklers Would Help Reduce Church Fires

That undetected fires are particularly common and disastrous to churches with their many concealed spaces and long periods of vacancy is brought out in a study of church fires published by National Fire Protection Assn.

The study suggests that destruction of churches by fire could be cut considerably by installation of automatic detection and sprinkler systems.

The three main causes of church fires during the past four years have been overheated heating systems, constituting 22.5%; incendiary, 13.1%, and electrical 12.5%.

The most common factors contributing to fire spread in 100 church fires studied were lack of sprinklers in 95, and no automatic detection or watchman in 82.

The report contains recommendations and excerpts from technical fire safety standards on safe church exits, fire exit drills for church schools, life safety, undivided attics, heating equipment clearances, and use of candles and other open flames. Copies of the report, at 50 cents each, may be obtained from NFPA publications department, 60 Batterymarch street, Boston.

Rules on Colo. Domestic Insurer Foreign License

The Colorado attorney-general, in an opinion requested by Commissioner Beery, has ruled that Colorado domestic companies may not be licensed in other states if their capital or surplus qualifies them only in Colorado.

A company desiring to write only in Colorado can get by with a deposit of \$50,000 and \$25,000 surplus, one-quarter of what is required of foreign companies to enter the state. The attorney-general held that Colorado companies wanting to write in other states must equal or exceed what is required of the foreign insurers.

FTC to Hear American Casualty Reply Sept. 4

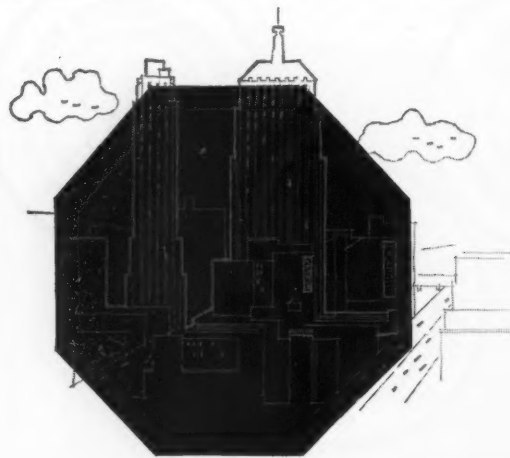
Federal Trade Commission has granted American Casualty until Sept. 4 to file a motion to dismiss the complaint of false advertising of A&S policies. The commission's counsel will file an answer three weeks later, with a final hearing scheduled for Oct. 1.

At an all-day hearing in Washington, D. C. last week 400 exhibits were submitted.

On Oct. 1, FTC will also hear its complaint of misleading advertising of A&S policies against Mutual of New York.

Brandon Opens Own Office

R. Marshall Brandon has organized his own adjusting firm at Sioux Falls, S. D., R. M. Brandon Co. He has been in the adjusting business since the war, and for the last five years has managed an independent office at Sioux Falls and Marshall, Minn.



OKLAHOMA CITY... where traffic safety struck it rich!

■ Just 10 years ago, oil-rich Oklahoma City started digging for the answer to its tragic traffic death toll. The result: two Grand Awards, 32 other First Place Traffic Safety Awards—climaxed in 1955 by further top honors. All this adds up to an impressive reduction in traffic deaths over this period.

Lucky? No! It took a safety-conscious city government to pass model traffic laws; improve law enforcement; and create a traffic engineering department. It took a lot of hard work and planning by civic-minded business leaders who formed the Oklahoma City Safety Council to coordinate safety efforts. It took contributions from citizens through the Community Chest. It took newspapers and radio stations to make the public safety-minded. It took clubs, associations, schools and individuals. And when traffic safety became everyone's business, Oklahoma City became one of America's safest cities—and still is today.



This same *community approach* by citizens' safety organizations has struck it rich in other cities too. And it's up to us, particularly the members of the insurance industry, to help spread this movement to communities throughout the nation. By making traffic safety everyone's business—*everyone benefits!*

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INSURANCE COMPANY
HOME OFFICE • SKOKIE, ILLINOIS

Stumpf Sponsored by Two Ponds for Grand Keeper of Blue Goose

Robert F. Stumpf, manager at Patterson, N. J., for General Adjustment Bureau, is the only candidate who has so far been proposed for the office of Grand Keeper of the Golden Goose Egg of Honorable Order of Blue Goose. He is being sponsored by Garden State pond of New Jersey and is additionally supported by New



R. F. Stumpf

York City pond.

H. L. Maruitson, grand wielder, is expected to be reelected. Other national officers are traditionally unopposed in their nomination for the next highest office. They are: for MLGG, Jules Simoneaux, Grand Supervisor, to succeed Robert L. Wiseman; for Grand Supervisor, R. L. Fenerty; for Grand Custodian, Mark Wells, and for Grand Guardian, E. C. Saulcy.

Mr. Stumpf has spent his entire business career as an employee or representative of fire companies and for the past 15 years has been with GAB.

He is a past most loyal gander of New York City pond and one of the original organizers and a PMLG of Garden State pond. He has attended eight Grand Nest conventions either as a delegate or guest and has served on several Grand Nest committees.

Royal-Liverpool Names Men in N. J., Pa.

Royal-Liverpool group has appointed Albert Bostery special representative for boiler and machinery in East Orange, N. J. The group also has appointed Francis Lutz special representative at Pittsburgh to assist Paul Brangs in production of inland marine, burglary, glass, ocean marine and aviation insurance.

Mr. Bostery, who has had seven years experience in boiler and machinery, joined the group in the Newark loss prevention and engineering department in 1950. He transferred to the New York loss prevention and engineering department in 1952 and in 1955 was named an all-lines engineer.

Mr. Lutz has spent the past two years as an underwriter of inland marine, burglary, glass, ocean marine and aviation at Philadelphia.

Interprets Law of Brokers and Adjusters

The passage of the law in the New York legislature which allows insurance brokers to act as public adjusters in no way opened up the field generally to brokers to act as public adjusters. Joseph Danahy, counsel of Greater New York Insurance Brokers' Assn., has advised the association.

As the law is interpreted by the insurance department, Mr. Danahy said, the right of an insurance broker to either act as a public adjuster or to share fees with a public adjuster is limited to a situation where the insurance broker is the original broker of record placing the insurance and has, in writing, an agreement from his insured authorizing him to act and share in the fees as a public adjuster.

GAB Names Halse at Malone, N.Y.

General Adjustment Bureau has appointed Frank A. Halse branch manager at Malone, N. Y., to succeed Max B. Webb, who is retiring after being manager there 31 years. Mr. Halse

joined GAB at Albany in 1938 and the next year transferred to Malone. He has been senior adjuster there for many years.

Smorgasbord at Appleton

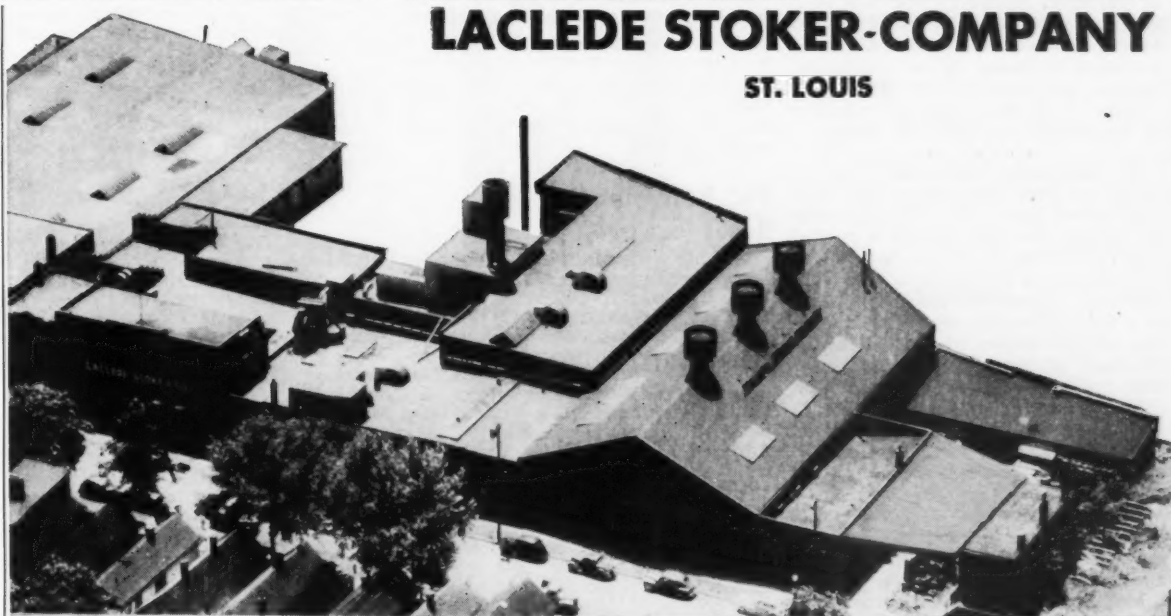
APPLETON, WIS.—An outdoor smorgasbord highlighted the annual outing of Appleton Assn. of Insurance Agents attended by 52 members and field men. The field men were winners of the base ball game in the afternoon.

Exchange Mutual Indemnity Ins. Co. of Buffalo has changed its name to Exchange Mutual Ins. Co.

Schedule Advertising Workshop for NAIA Convention in N. Y.

A workshop devoted to selling the local agent and his services through advertising and public relations will be the main theme of the second day workshop at the convention of National Assn. of Insurance Agents Sept. 17-19 in New York. John C. Stott of Norwich, N. Y., chairman of the public relations committee, will be coordinator.

The use of mass media will be illustrated by a kinescope version of the appearance of Kenneth Ross, NAIA president, on Dave Garroway's TV program in June. Representatives of radio and TV will outline ways in which those media can be employed by agents and local associations. Newspaper advertising will be analyzed by Jerry Davidson of Bureau of Advertising of American Newspaper Publishers Assn. Specific costs of various sized advertisements for varying periods will be outlined.



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Paul W. Kluge
President and Treasurer



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Mr. Kluge's comment is typical of opinions expressed by thousands of business executives from coast to coast who know that ADT Automatic Protection Services give greater security for property, profits and employees' jobs than other methods, and at less expense.

Why not find out what ADT can do for you?

Whether your buildings are old or new, sprinklered or unsprinklered, there is an appropriate ADT Automatic Protection Service to guard against fire, burglary, intrusion, heating-system failure, and other hazards. An ADT specialist will show you how combinations of these services can protect your property. Call our local sales office if we are listed in your phone book; or write to our Executive Offices.

Standard Accident Names Successors to McCredie, Eales

G. I. McCredie, resident vice-president at New York for Standard Accident and Planet, has been granted a leave of absence and Howard Eales, manager at Washington, has retired.

Mr. McCredie will retain his status as a resident vice-president until his actual retirement date, Dec. 31. He will be succeeded at New York by W. E. Taeffner, manager, who has been named resident vice-president. Rankin Martin will continue as resident vice-president in charge of the companies' bonding operations at New York.

Mark G. Bowen, assistant manager at Washington, succeeds Mr. Eales.

Mr. McCredie, who has been in charge of New York operations since 1930, joined Standard Accident in 1914 at Chicago and was named a special agent following service in World War I. He joined a Minnesota company in 1922 and returned to Standard in 1927 as a field representative at Detroit. He was named resident vice-president for Standard at New York in 1930 and New York manager for Planet in 1945.

Mr. Eales joined Standard in 1935 as manager of the bonding department at the Washington service office and was named manager there in 1945. In 1950, the Washington office was raised to branch status and Mr. Eales was named manager. Following his retirement, Mr. Eales will continue in insurance as an agent at Rockville, Md.

Mr. Taeffner joined Standard in 1945 as manager of the fire and marine department at New York. He had

previously served as special agent in New York and Long Island and manager at Brooklyn for an eastern company. He was appointed manager at New York for Standard in 1946. He is a past-president of Casualty Managers Assn. of New York and vice-president of Casualty & Surety Club of New York.

Mr. Bowen started with Standard Accident at the home office in 1934, was named a claim adjuster at Detroit in 1937 and later that year transferred to the home office as a claim examiner. In 1938, Mr. Bowen was assigned to San Francisco as a special agent, was transferred to Indianapolis in 1941 in a similar capacity, was named a field representative there in 1946 and in 1948 returned to the home office underwriting staff. He was appointed assistant manager of the Washington branch in 1949.

Va. Auto Hearing Reset to Nov. 7-8

Virginia Corporation Commission has postponed from Sept. 12 to Nov. 7-8 hearings on two petitions involving automobile casualty rates.

Allstate has requested permission to use a separate manual of classifications, rules and rates. National Bureau of Casualty Underwriters and Mutual Insurance Rating Bureau have asked for rate revisions, including a stiff increase in rates for young, unmarried male drivers.

In previous hearings Allstate has sought to justify using a classification of drivers based on mileage travelled as well as age and purposes for which a vehicle is used. The company has also sought to use lower rates than those listed in the standard manual.

The two bureaus are opposing Allstate's use of separate classifications

and contend that the company's deviations from the standard rates should be consistent percentages for all classes. Allstate's proposed variations varied from class to class.

Welding Causes Most Furniture Factory Fires

Nearly half of all furniture factory fires are caused by sparks resulting either from cutting and welding or electrical defects, according to a study just published by National Fire Protection Assn. The bulletin contains illustrations and cites specific cases of significant fires in the past three years in wood and metal furniture factories; and, it tabulates known causes and starting places of fires as well as factors contributing to the extent of damage to 150 specific furniture factory fires studied.

Sprinkler protection factors contributed in 69 of 150 furniture factory fires studied. Thirty-eight of these had no sprinklers, 13 had poor water supply for sprinklers, in six sprinkler protection was not extended to spray booths, drying tunnels, or ducts.

The report also excerpts pertinent technical fire safety standards on such subjects as provisions for conveyor openings in fire walls, sprinkler protection for spray finishing areas, automatic protection for dip tanks and precautions regarding electrical equipment in spray booths.

Copies of the report are available from NFPA publications department, 60 Batterymarch street, Boston, at 50 cents each.

DITC School for Twin Cities

A DITC school will be operated beginning Sept. 21 for Minneapolis and St. Paul. Arne Brueheim, North America Life & Casualty, will be instructor, and enrollment chairman is W. O. Peterson, P. O. Box 116, St. Paul.

Added Starters for ABA Insurance Law Convention

The insurance section of American Bar Assn. has completed the program for its annual convention Aug. 27-29 in Dallas. Nearly 1,500 are expected to attend.

Additional program speakers and features not included in the story in the July 19 issue are: Mark Martin of Dallas on trends in A&S insurance law; Walter W. Downs of Hartford Accident on equitable remedies of the surety when liability under its bond is imminent; John Couch of Kansas City on the loaned employee doctrine as applied to workmen's compensation; Don M. Jackson of Kansas City on the statutory employer; Sweeney H. Doehring of Houston on current insurance problems in off shore drilling operations; John F. X. Finn, dean of Fordham university law school, on life insurance law, and Commissioner Pansing of Nebraska on regulation of A&S advertising.

Also Robert G. Storey, president of Southwestern Legal Foundation, and a trial tactics panel with Wayne E. Stichter of Toledo, moderator, and Judge David W. Peck of New York City, Dr. Howard Reid Craig of New York Academy of Medicine and Emil Zola Berman and Harry A. Gair of New York.

To Write 3-Year Homeowners

Mutual Service Casualty will begin writing a three-year homeowners policy next month. It will be at a semi-annual level premium and no extra premium charge for unapproved roofs.

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Va. Agents Set Card for Annual Institute

Virginia Assn. of Insurance Agents, in cooperation with University of Richmond's school of business administration, will hold its annual stock insurance institute August 27-29 on the university campus. An introductory course is being offered for students desiring to take the agents' qualification examination, as well as a standard course and an advanced course.

Classes and their instructors are, in the introductory course, Thomas D. Jones, Jr., deputy commissioner and director of the license division of the Virginia department, Virginia insurance law; Warren F. Curtis of Richmond, insurance and the agent; James A. Hodges, special agent of Fireman's Fund, Richmond, hail insurance on growing crops and fire insurance; Charles L. Klecka, special agent of Fireman's Fund in Richmond, inland marine; Julius T. Jones, superintendent of the auto underwriting department of Aetna Casualty, at Richmond, automobile insurance. The second day, Bernard D. Pokrass, superintendent of the compensation and miscellaneous lines of Aetna Casualty at Richmond and Al Reese, underwriter of compensation and miscellaneous lines of Aetna Casualty, casualty insurance; Charles M. Hart Jr., manager of Fidelity & Deposit, at Richmond, fidelity and surety bonds, and J. T. Jones on rating and auditing organizations. T. D. Jones will give the agents' qualification examination.

The standard course instructors and their topics are T. D. Jones on Virginia insurance law, Robert Burns, president of American Agency Management Bureau of Washington, D. C., office procedure; James F. Morano, manager of Fireman's Fund at Richmond, fidelity and surety bonds; William F. Aimone, executive vice-president of State Capital of Raleigh, N. C., homeowners policies; William R. Duke Jr., superintendent of the casualty department of U.S.F.&G. at Richmond, general liability; and E. Allen Shiver, assistant casualty manager of Travelers at Richmond, automobile insurance.

The advanced course instructors and their topics are T. D. Jones on Virginia insurance law, Mr. Burns on office procedure; Thomas J. McKernan, director of the educational division of NAIA, customer account analysis; Mr. Aimone on homeowners policies; Charles A. Hancock, assistant secretary of U.S. F.&G., fire and allied lines forms A and I; and Edward V. Schenke, manager of the advertising department of Royal-Liverpool group, advertising.

Don L. Bauman of Arlington, Va., chairman of the association's education committee, will be in charge of the opening and closing joint sessions of the institute.

Buckeye Union Agents Are Feted at Three Rallies

Buckeye Union group is entertaining 750 agents at three summer resorts during August and September. All agents attending the four-day outings met or surpassed a production quota assigned them for a six-month period which ended June 30.

The first outing was held at Bedford Springs, Pa., for agents from eastern Ohio, Pennsylvania and West Virginia. August 20-23, agents from western Ohio, Indiana and Kentucky will assemble at French Lick Springs, Ind., and agents from Michigan will be feted at Boyne Mountain Falls, Mich. Sept. 10-13.

There will be no business sessions. Banquets Monday and Wednesday

evenings are the only two scheduled events. Agents will be free to spend their time as they wish. Frederick E. Jones, president of the companies, will preside at the dinners.

Raise Auto Rates in Oregon

Preferred Exchange of Seattle has filed substantial rate increases on automobile BI and PDL in Oregon territories 1, 2 and 6, taking in Portland and Portland suburban territories.

Oregon Mutual has increased auto BI and PDL rates to the bureau level in Oregon.

Gingher to Presidency of State Auto Mutual

Robert Pein, founder and president of State Automobile Mutual of Ohio, has been elected chairman. He is succeeded as president by Paul R. Gingher, formerly executive vice-president.

In other executive changes, Herbert F. Holscher, vice-president and legal department head, was elected 1st vice-president and secretary and the following were named vice-presidents: Col.

Whittier S. Bird, agency superintendent; Robert Kaufman, chief underwriter, and Marshall E. Wilcox of the legal staff, who was also named assistant secretary.

Harold E. Gingher was assistant secretary and George Reichert, controller, was named assistant treasurer.

Trans-America group has moved the offices of the eastern and metropolitan departments to the Mall building, Fourth and Chestnut streets, Philadelphia.



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Convention Dates

- Aug. 12-15, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulphur Springs.
- Aug. 16-18, Louisiana Assn. of Mutual Insurance agents, annual, Edgewater Gulf Hotel, Edgewater Park.
- Aug. 19-24, Blue Goose Golden Anniversary Convention, Schroeder hotel, Milwaukee.
- Aug. 20-21, South Dakota Assn. of Insurance Agents, annual, Cataract hotel, Sioux Falls.
- Aug. 20-22, International Federation of Commercial Travelers, annual, The Greenbrier, White Sulphur Springs, W. Va.
- Aug. 22-24, Federation of Insurance Counsel, annual, Shamrock hotel, Houston.
- Aug. 23-25, Texas Assn. of Mutual Insurance Agents, annual, Ft. Worth.
- Aug. 26-28, Wyoming Assn. of Insurance Agents, annual, Jackson.
- Aug. 30-Sept. 1, Montana Assn. of Insurance Agents, annual, Helena.
- Sept. 5-7, Oregon Assn. of Insurance Agents, annual, Multnomah hotel, Portland.
- Sept. 6-7, Minnesota Assn. of Insurance Agents, annual, Hotel Duluth, Duluth.
- Sept. 9-11, Washington Assn. of Insurance Agents, annual, Davenport hotel, Spokane.
- Sept. 9-12, Idaho Assn. of Insurance Agents, annual, Sun Valley.
- Sept. 10-11, Vermont Assn. of Insurance Agents, annual, Middlebury Inn, Middlebury.
- Sept. 10-11, New Jersey Assn. of Insurance Agents, annual, Traymore hotel, Atlantic City.
- Sept. 10-11, New Hampshire Assn. of Insurance Agents, annual, Crawford Notch.
- Sept. 10-12, New Hampshire Assn. of Insurance Agents, annual, Crawford House Club, Crawford Notch.
- Sept. 12-14, Maine Assn. of Insurance Agents, annual, Samoset hotel, Rockland.
- Sept. 12-14, Society of CPCU, annual, Cincinnati.
- Sept. 12-14, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.
- Sept. 16-18, Insurance Federation of North Dakota, annual, Bismarck.
- Sept. 17-18, Minnesota Assn. of Mutual Agents, annual, Leamington hotel, Minneapolis.
- Sept. 17-19, International Claim Assn., annual, Hotel Chamberlain, Old Point Comfort, Ft. Monroe, Va.
- Sept. 17-20, National Assn. of Insurance Agents, annual, Waldorf-Astoria, New York.
- Sept. 18-21, Mutual Loss Managers' Conference, Hotel Statler, New York.
- Sept. 24-25, Utah Assn. of Insurance Agents, annual, Salt Lake City.
- Oct. 1-3, Wisconsin Assn. of Insurance Agents, annual, Schroeder hotel, Milwaukee.
- Oct. 7-9, Pennsylvania Assn. of Insurance Agents, annual, Bedford Springs hotel, Bedford Springs.
- Oct. 7-10, National Assn. of Casualty & Surety Agents, annual, White Sulphur Springs, W. Va.
- Oct. 7-10, National Assn. of Casualty & Surety Executives, annual, The Greenbrier, White Sulphur Springs, W. Va.
- Oct. 11-12, Nebraska Assn. of Insurance Agents, annual, Hotel Cornhusker, Lincoln.
- Oct. 14-16, Missouri Assn. of Insurance Agents, annual, Hotel Statler, St. Louis.
- Oct. 14-17, Federation of Mutual Fire Insurance Companies, annual, Sheraton-Gibson hotel, Cincinnati.
- Oct. 14-17, National Assn. of Mutual Fire Insurance Companies, annual, Sheraton-Gibson hotel, Cincinnati.
- Oct. 15-17, California Assn. of Insurance Agents, annual, Sheraton-Palace hotel, San Francisco.
- Oct. 15-17, Ohio Assn. of Insurance Agents, annual, Cleveland.
- Oct. 16, North Dakota Assn. of Insurance Agents, annual, Eagles Club, Bismarck.
- Oct. 16-17, Massachusetts Assn. of Insurance Agents, annual, Sheraton Plaza hotel, Boston.
- Oct. 17-19, Insurance Accountants Assn., annual, Hartford.
- Oct. 19-20, South Carolina Assn. of Insurance Agents, annual, Ocean Forest hotel, Myrtle Beach.
- Oct. 21-23, Insurers of Tennessee, annual, Noel hotel, Nashville.
- Oct. 21-23, Maryland Assn. of Insurance Agents, annual, Lord Baltimore hotel, Baltimore.
- Oct. 22-23, Arizona Assn. of Insurance Agents, annual.
- Oct. 22-24, National Assn. of Mutual Insurance Agents, annual, Shoreham hotel, Washington, D. C.
- Oct. 22-24, Western Underwriters Assn., annual.
- Oct. 25, American Institute of Marine Underwriters, annual, New York.
- Oct. 28-30, Kansas Assn. of Insurance Agents, annual, Broadview hotel, Wichita.
- Oct. 28-30, Illinois Assn. of Insurance Agents, annual, Springfield.
- Nov. 7-9, Michigan Assn. of Mutual Insurance Agents, annual, Pantlind hotel, Grand Rapids.
- Nov. 8-9, Illinois Assn. of Mutual Insurance Agents, annual, Kaskaskia hotel, La Salle.
- Nov. 11-13, Kentucky Assn. of Insurance Agents, annual, Kentucky hotel, Louisville.

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COMMENTS - TRENDS - OBSERVATIONS

N. Y. Speakers Bureau, in Second Year, Expands—Will Add Films to Program

Speakers bureaus constitute one of the best public relations methods in use by the insurance business. They get over to the public the story of insurance, explanations of new and different coverages, and the work that insurance does as a sideline—safety, accident prevention and fire prevention.

The speakers bureaus are operated by Assn. of Casualty & Surety Companies, in cooperation with local state associations, in Oklahoma, California and New York. Soon a bureau will be set up in Illinois.

The speakers, company men and agents are in great demand and nearly every engagement can be filled in any of the three states.

All three are pilot projects for the gradual expansion of the bureaus in all states, or at least the major ones.

Take New York's speakers bureau as an example. It has been in operation one year. Several hundred speeches were made by speakers of the bureau the first year, and more than a hundred have been made so far this year.

At the beginning, a committee was organized to nominate competent and well informed speakers. Each nominee's qualifications were examined before he was approved for membership in the bureau. Then the members attended a special two-day seminar, either at Syracuse or New York university. They were directed by the public relations committee of Assn. of Casualty & Surety Companies. They received conference type instruction on the preparation and delivery of talks and heard lectures on the techniques of holding an audience and the use of effective speaking aids. University professors of public speaking were obtained as instructors.

The association supplied each speaker with a kit consisting of complete speeches, speech outlines, background information and supplemental facts for post-speech forums. The kit has the most recent data compiled by the business's top authorities in major fields. As changes occur, suggested speech revisions are sent to bureau members.

The manual instructions advise the speakers to refer to the manual every time they are to talk, even though they feel they know the subject by heart. Referring to it may lend a new fact or slant that will add freshness to the talk.

Speech topics covered by the manual are insurance in the U.S., automobile insurance, the story of the local agent, the use of the premium dollar after the company gets it, highway safety, fidelity and surety,

industrial safety and workmen's compensation.

The manual also explains to the speaker how to publicize his talk, with advance releases on the fact that he is to speak at a certain meeting, and a longer story after the speech on the fact that he did speak and what he said.

A series of questions, typical of the ones asked after such speeches, are also included.

When the bureau has been set up and the speakers obtained, the bureau sets out to obtain engagements for the speakers. This was done by notifying local Kiwanis, Rotary, Lions clubs, chambers of commerce, etc. of the availability of the speakers. With each letter went a roster of the speakers—a small booklet containing pictures of the speakers, short biographies of each and the topics on which each is prepared to speak. As soon as the letters and rosters were sent, requests for speakers began to arrive. As a result, this year the groups to which the letters are sent are being increased to include several organizations such as Optimist clubs, exchanges, parent-teachers associations, and business and professional women's clubs.

The bureau will try to reach church groups also—the men's clubs, women's societies, etc.—and will call on the state and local agent's associations to promote the bureau in their own localities in this endeavor. The bureau is also planning to expand the service to areas in which no talks have been booked. The state agents' association has indicated it will cooperate with Assn. of Casualty & Surety Companies to an even greater extent and has appointed one member to work exclusively on expanding the speakers bureau.

There has been little trouble keeping the speakers busy. About a third of them have been asked to return for another speaking engagement. This indicates that the audiences have been interested both in the subject and the speaker.

When the request for a speaker arrives, the bureau notifies the speaker requested, or chooses one, if none is specified. The speaker then gets in touch with the club and notifies the bureau he will speak. The bureau usually prepares his press release announcing the meeting and the topic and sends it to the speaker along with a list of the newspapers to which it should be sent. Usually a mat of the speaker's picture is sent with the release, which is also supplied by the bureau.

Papers often use the releases and pictures, as indicated by the number

of clippings from local papers the bureau receives. Often the talk is covered by a local reporter and reported fully in the newspapers. Bureau members are sent bulletins on the progress of the bureau.

This fall the bureau will increase its presentations by adding films on several topics to be shown in connection with speeches. Among the films to be shown are a group prepared by the action program of the President's committee for traffic safety in cooperation with Alfred P. Sloan Foundation and Automotive Safety Foundation. The topics of the films include how to organize citizen support for balanced safety programs, an explanation of how the differences in traffic laws contribute to accidents, how facts about accidents pinpoint cures, and the safety training that is needed in school and college, the standards of the traffic courts in the U.S., the role of the traffic police, description of motor vehicle administration, and an explanation of engineering for traffic safety.

At present the high school driver education teachers make the most requests for speakers. The students taking the courses are enthusiastically receiving the information given by the speakers. Many of these speakers have been invited to return to the schools to speak to next year's classes.

Among letters the bureau has received about the talks before high school driver education classes have been those from principals lauding the speakers and urging them to return, and from teachers of the classes stating how much they believe the students learned from the talks.

The bureau is planning to spread the talks into more high schools—not only on automobile but on other insurance topics—by seeking engagements before assemblies of senior classes and meetings of parents and teachers.

The talks on automobile insurance designed for high school students are simple, to the point, and use many illustrations of the problems the student meets in driving. It contains simple explanations of collision, automobile liability, comprehensive, and medical payments and a similar explanation of the main sections of an automobile policy. The way rates are made is also explained in an easily understood manner.

The talk also uses statistics, but in an easy way so that they do not become boring, and discusses financial responsibility. Future talks will probably contain discussions of the compulsory automobile law.

The speakers who have joined the bureau are enthusiastic about it, too. During the year only nine of the members of the bureau dropped out, and most of these were company men

Pays \$45,000 Claim on Pakistan Movie

A loss of photographic equipment during the filming of a motion picture in Pakistan has been indemnified by North America 10 days after the accident occurred. Charles Weaver of Knox, Weaver & Co., New York City agency, presented the check for \$45,000, as a partial payment on the claim, to John Hartley, treasurer of Cinerama, Inc. Further payment will be made as soon as an itemized list of the losses is compiled by Cinerama.

The loss occurred during the shooting of Search for Shangri-La, a 3-D documentary being filmed by Cinerama in a remote and rugged region near the Himalaya mountains. The photographic expedition was traveling through the rapids of the Indus river when the boat capsized, spilling men and equipment into the water.

Expect Allstate to Get Back to 15% Off in Wash.

It is anticipated that steps will be taken by Allstate to reestablish the approximate 15% differential in Washington dwelling fire rates which was upset by the recent bureau rate changes on dwelling and contents.

At present Allstate's dwelling fire and EC rate for three years in Seattle is \$2.70 as compared to the bureau three year rate of \$3. Thus Allstate in this instance is 10% under bureau and in the case of participating competition, after dividend, is actually higher. For straight fire, not including extended coverage, the bureau rate is \$2 per \$1,000 coverage for three years as compared to \$2.10 for Allstate which writes only annual coverage and permits no term credit.

It is also probable that Allstate will extend the approved roof credit to conform to the July 9 filing of Washington Surveying & Rating Bureau.

Unity Fire & General Moves in New York

Unity Fire & General has moved to 116 John street from 90 John street, in New York City, where it has been 14 years. The new office is on the seventh floor. Fester, Fothergill & Hartung, general agents of Unity, will continue to maintain its offices at 90 John street.

Ala. Commissioner on Sick Leave

Bill Armstrong Montgomery, deputy director of the Alabama insurance department, has been appointed acting superintendent to replace Commissioner Gwaltney who has taken an extended leave of absence for health reasons.

who were transferred to other territories or agents who retired because of illness. The bureau contemplates no problem in replacing these—eight have already been replaced—and no problem in increasing the membership in the areas in which the speaking engagements have been few.

Major Medical Leads Group Covers to New Peaks in 1955

Last year was a record one for group, with group major medical leading the way in rate of growth by covering 4,756,000 persons at year's end, up 15%, according to Life Insurance Assn. of America's annual analysis of all types of group issued by casualty,

A&S and life companies.

This coverage, first written in 1949, was held by 2,236,000 employees and 2,520,000 dependents at year's end. The new comprehensive major medical has been issued to 830,000 of these people.

Group hospital and group surgical

increased by 3,106,000 and 3,166,000 persons, respectively, last year. Although all group coverages have risen sharply since the end of World War II, the A&S units have shown the greatest gains. A&S benefit payments last year exceeded \$1 billion.

Kind of Coverage	Year	New Business Issued During Year			Total in Force December 31			Premiums and Considerations During Year
		Number of Master Policies	Number of Individuals Covered	Total Amount of Coverage	Number of Master Policies	Number of Individuals Covered	Total Amount of Coverage	
Group Wage Replacement	1955	30,310	1,366,000	78,600,000	235,160	19,223,000	615,000,000	510,600,000
	1954	24,740	1,278,000	50,100,000	214,020	18,323,000	552,000,000	473,600,000
	1953	28,260	1,649,000	53,300,000	217,500	18,739,000	533,000,000	461,000,000
Group Hospital Expense Employee Coverage	1955	12,500	1,861,000	22,200,000	78,240	15,350,000	147,000,000	255,100,000
	1954	13,000	1,368,000	16,800,000	76,850	14,281,000	131,000,000	227,300,000
	1953	12,790	1,735,000	18,900,000	69,990	14,186,000	120,000,000	193,100,000
Dependent Coverage	1955	11,610	2,536,000	27,100,000	69,430	22,766,000	208,000,000	347,400,000
	1954	12,170	2,044,000	20,500,000	68,250	20,729,000	168,000,000	285,900,000
	1953	11,900	2,623,000	26,800,000	60,970	19,324,000	153,000,000	249,700,000
Group Surgical Expense Employee Coverage	1955	12,450	1,835,000	476,500,000	79,230	16,089,000	3,593,000,000	110,200,000
	1954	12,830	1,447,000	377,700,000	77,070	14,993,000	3,287,000,000	104,100,000
	1953	12,880	1,844,000	426,400,000	71,910	14,930,000	3,113,000,000	93,900,000
Dependent Coverage	1955	11,660	2,571,000	645,900,000	69,250	22,724,000	4,838,000,000	195,600,000
	1954	12,160	2,269,000	554,500,000	66,990	20,654,000	4,220,000,000	183,600,000
	1953	12,160	2,842,000	626,600,000	61,210	19,946,000	3,680,000,000	157,700,000
Group Medical Expense Employee Coverage	1955	8,360	1,518,000	" " "	38,450	9,000,000	" " "	41,600,000
	1954	7,570	1,100,000	" " "	31,270	7,463,000	" " "	31,200,000
	1953	8,210	1,492,000	" " "	28,570	6,770,000	" " "	27,100,000
Dependent Coverage	1955	7,560	2,146,000	" " "	32,340	10,774,000	" " "	31,200,000
	1954	6,850	1,506,000	" " "	25,000	8,256,000	" " "	24,000,000
	1953	7,420	1,837,000	" " "	22,610	6,960,000	" " "	18,200,000
Group Major Medical Expense—Supplementary to Basic Plans Employee Coverage	1955	1,180	1,001,000	" " "	2,170	1,909,000	" " "	15,900,000
	1954	480	286,000	" " "	1,090	774,000	" " "	8,500,000
	1953			" " "			" " "	
Dependent Coverage	1955	1,110	832,000	" " "	2,020	2,016,000	" " "	14,800,000
	1954	450	484,000	" " "	1,020	1,064,000	" " "	9,200,000
	1953			" " "			" " "	
Group Major Medical Expense—Comprehensive (No Basic Plans) Employee Coverage	1955	500	259,000	" " "	600	326,000	" " "	3,200,000
	1954	80	9,000	" " "	100	22,000	" " "	300,000
	1953			" " "			" " "	
Dependent Coverage	1955	470	395,000	" " "	570	504,000	" " "	4,900,000
	1954	80	16,000	" " "	100	29,000	" " "	400,000
	1953			" " "			" " "	
Group Accidental Death and Dismemberment	1955	9,240	1,254,000	Principal Sum 5,114,800,000	62,690	15,602,000	Principal Sum 44,501,000,000	43,400,000
	1954	7,800	2,855,000	9,380,800,000	56,950	13,972,000	35,023,000,000	33,500,000
	1953	8,600	1,379,000	3,055,700,000	53,460	11,803,000	26,244,000,000	29,500,000

TOTAL PREMIUMS AND CONSIDERATIONS

Year	Group, Group Creditors and Wholesale Life	Group Amnities	Group Accident and Health	Total
1955	\$1,110,000,000	\$1,065,000,000	\$1,574,000,000	\$3,749,000,000
1954	927,000,000	990,000,000	1,382,000,000	3,299,000,000
1953	831,000,000	965,000,000	1,239,000,000	3,035,000,000
1952	728,000,000	860,000,000	1,022,000,000	2,610,000,000
1951	624,000,000	775,000,000	853,000,000	2,252,000,000
1950	559,000,000	690,000,000	629,000,000	1,878,000,000
1949	489,000,000	530,000,000	460,000,000	1,479,000,000
1948	459,000,000	540,000,000	386,000,000	1,385,000,000
1947	402,000,000	450,000,000	306,000,000	1,158,000,000

Master policies and certificates providing more than one coverage were counted for each kind of coverage.

Group life and annuity data compiled by the Institute of Life Insurance.

This survey represents data of the 469 United States and Canadian insurance companies which write group insurance.

Protest Support of Compulsory by Mich. Safety Conference

LANSING, MICH.—Adoption of a resolution urging a compulsory automobile insurance law in Michigan by the governor's highway safety conference has drawn criticism from insurance sources and from some of the delegates whose wishes were ignored as a series of resolutions was pushed through without debate.

The conference at Michigan State university was attended by some 500 delegates but many had left before the resolutions were considered. They had been framed by Joseph A. Parisi Jr., executive director of Michigan Townships Assn. Another of the resolutions given blanket endorsement would make periodic car inspections compulsory.

Waldo O. Hildebrand, secretary-

manager of Michigan Assn. of Insurance Agents and an invited delegate at the conference, framed a statement of protest and several other delegates commented that they felt compulsory insurance was in no way a safety measure and might well operate to make Michigan highways less safe as well as making motoring exorbitantly expensive in the state through inflating insurance liability rates for all motorists.

A state-wide network of safety councils in every Michigan community was advocated by Gov. Williams in his conference address. He said the councils would accomplish more than any other single step in reducing the highway traffic toll since "it is the surest way for centering the attention of the largest number of our citizens on the problem."

The governor's plea was supported by Gen. George C. Stewart, executive

vice-president of National Safety Council, who termed public support "the key and an absolute essential to programs designed to improve highway traffic conditions."

Several study groups were formed to consider special localized problems and offer suggestions to the Michigan State university highway traffic safety center, recently established by a legislative act.

Leadholm to North Central Region for Anchor Casualty

B. Carlton Leadholm, manager of Anchor Casualty's southwestern department at Dallas, has been transferred to St. Paul as manager of the north central department, which includes Minnesota, Wisconsin, Iowa and Nebraska.

Mr. Leadholm has been with the company for 20 years in production and underwriting.

IMIB Files Rates for Louisiana Causeway, Makes Bridge Changes

Inland Marine Insurance Bureau has filed, with Louisiana insurance department, promulgated rates for insurance on Lake Pontchartrain causeway at New Orleans. All rates contemplate coverage of the structure from abutment to abutment, including abutments.

The promulgated rate for the standard property damage form, including broad strikes and riots endorsement, with a deductible 1% of the aggregate amount of insurance set forth in the property damage policy, is 17.5 cents per hundred a year. Such rates will be reduced 5% or 10% respectively if the policy is made subject to 90% or 100% coinsurance. The dollar amount of the deductible will remain based on 80% coinsurance.

The promulgated rate for the standard U&O form, with 100% average and adjusted values endorsement and including broad strikes and riots endorsement, is 30 cents per \$100 with a deductible of seven days, 27 cents per \$100 with a 14 day deductible, and 25.5 cents per \$100 with a 21 day deductible.

The bureau has also amended the description for outstanding policies of San Francisco-Oakland Bay bridge, referring to San Francisco viaducts and anchorage and East Bay crossing.

The bureau has also amended the clause of U&O policies on Port of New York Authority schedule of bridges and tunnels in reference to limits of liability. Involved are Hudson river crossings and Staten Island crossings. Limits of liability are given for each month, based on the same months the previous year. The company may limit its liability on the basis of actual revenue for the month or months immediately prior to the loss and on the basis of percentage of trend of traffic for the 12-month period immediately before the loss in comparison to the previous 12-month period. The percentage so determined will be applied in figuring the maximum liability for the month. The company will be liable for only its proportion of the given figures plus 10%. Insured is to submit to the company an annual statement of the gross revenues for the previous 12 calendar months from each of the facilities of the groups.

Reserve of Chicago Names Three Vice-presidents

Reserve of Chicago has elected three vice-presidents. They are Ralph F. Cotton, assistant to the president; Kenneth F. Cooke, agency superintendent, and Charles R. Hesse, eastern region representative.

The company also promoted Ted Cichonski to controller.

Kemper Companies Promote Wrye

W. C. Wrye Jr. has been named assistant production manager for the New England department of the Kemper companies. He joined the Kemper organization as a sales trainee at Boston in 1939, and has recently been district manager for the Plymouth and eastern Norfolk counties in Massachusetts.

The California department has approved the name **Twentieth Century Insurance Exchange** for a company being organized at Los Angeles.

Springfield F. & M. group has moved its Portland, Ore., service office to 4004 Southwest Barbour boulevard.

Longshoremen Get Big Benefit Boost

The new longshoremen's and harbor workers compensation act, signed last week by the President, increases compensation benefits to the highest level in the country, compared with WC benefits provided in state laws. Maximum weekly compensation for longshoremen and harbor workers now is \$54.

The act also changes the waiting period before a claim can be filed from the previous seven days to three days and shortens the reversionary period from 49 to 28 days. The reversionary period is the length of time a longshoreman or harbor worker must be off work before he can receive compensation for the waiting period.

The new law provides for a fund to pay the compensation in the case of defaulted employer.

Shortly after the President signed the bill the International Longshoremen's Assn. wrote Gov. Harriman of New York asking that he call a special session of the legislature to work on bringing the New York WC law up to the standards of the new federal law. The governor has not replied to the request, but it is doubtful that he would call a special session at this time. Heretofore the federal law in general was patterned after the New York WC law. A dock worker in New York receives the New York State WC benefits, but a man working on board a ship gets the federal benefits.

Finance Company Sues for Unearned Premiums on Cancelled Policies

LOS ANGELES—Seaboard Finance has filed suit in superior court here seeking declaratory relief and naming nine insurance companies as respondents. The action follows the closing up of Preferred Acceptance Corp. and Modern Insurance Plan due to failure to meet financial obligations in the payment of premiums due insurers.

Seaboard Finance, which owns Arrowhead Ins. Co. and Balboa Ins. Co., alleges the nine companies are obligated to pay the unearned portion of premiums on a reported 6,000 or more policies, claiming Seaboard paid agents in full for the policies which subsequently were cancelled by the companies because of failure of the agents to remit balances back as far April.

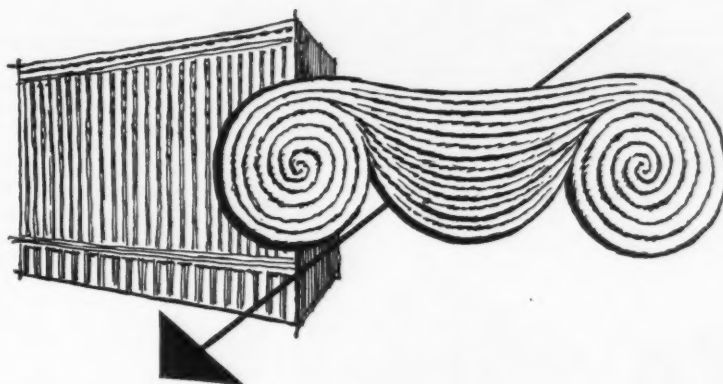
Preferred Acceptance and Modern Insurance, both of which have agent licenses, sold auto policies on the monthly installment plan, collecting the first payment and taking promissory notes for the rest. The notes were discounted by Seaboard Finance. When the policies subsequently were cancelled, Seaboard sought from the insurance companies to get the unearned premium, but the companies said they had no responsibility in the matter. Seaboard has taken this issue to court.

Wright Succeeds Shafer for Underwriters Adjusting

L. W. Wright has just been named manager at Fargo, N. D., for Underwriters Adjusting to succeed Chester A. Shafer, who retired.

Mr. Shafer has been with Underwriters for 12 years at Aberdeen and Fargo and prior to that was an independent adjuster.

Mr. Wright started his career in the loss department of America Fore at San Francisco and later joined Underwriters Adjusting at Minneapolis. Prior to his transfer to Fargo, he was manager at Devils Lake, N.D.



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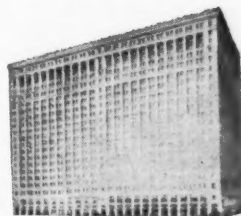
For example, consider elevators. Several banks of Electro-matic elevators of the latest design have just been installed in the Insurance Exchange. And in line with the trend toward air con-

ditioning, five floors of the Insurance Exchange South have been completely air conditioned.

These improvements are merely steps in a long range modernization program. Plans are being made that will still further enhance the prestige of the Insurance Exchange as one of the nation's finest office buildings.

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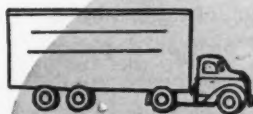
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Under-25 Bachelor Is Difficult Problem

(CONTINUED FROM PAGE 1)

"as the law allows," which means that a good many are forced into assigned risk plans. Yet no self respecting company with any consideration for the future can justify a policy of not writing any under-25 risks and then competing for the business of the same individuals when they pass 25. A few insurers apparently are adhering to

such an irresponsible program as closely as possible.

Several executives were asked to express their assessment of the problem and to comment on what can be done to alleviate it.

John F. Harris, secretary of Travelers, comments:

(1) What can be done to correct the

driving habits of the nation's youth, and (2) What can insurance companies do to make certain that a proper market is provided for such risks?

Dealing first with the former, it seems to me that the most important thing to do is to make certain that parents in particular and the public in general really know and understand just what havoc these drivers are causing.

Statistics which are readily available, both from insurance and motor vehicle records, are absolutely unbelievable, both as respects the frequency and seriousness of the accidents caused by young male drivers under 25 when they have a car of their own or the principal use of one. It should be emphasized that we are not talking about bad boys or juvenile delinquents, but rather your son and mine, who fundamentally have much quicker reactions and usually better eyesight than the older drivers, but are blessed with no sense of fear and a wealth of youthful exuberance which results in inattention on the road, carelessness, and a consistent desire to "show off." It is not limited to any section of the country, or even to this country, for the rates for such drivers in Canada are three times as great as for their elders.

We have consistently advocated driver education because it seems impossible to believe that such education cannot be beneficial in controlling and improving youthful driving habits. It is, however, extremely difficult on the basis of existing statistics to prove that educated drivers are actually better than non-educated. It is only fair to say that the credit in rates instituted by insurance companies for driver training courses was created to foster such courses and had no actuarial justification. The courses are of such variance in quality and standards, and the distribution of drivers between the sexes and between rural and urban areas has such an effect on the statistics, that it is difficult to reach any accurate conclusions.

It is true that in Massachusetts, where a credit for driver training has been in effect for the longest period, and where the state motor vehicle department actually controls the quality of the schools administering the courses, on the very limited statistical evi-

dence available it does appear the educated driver is slightly better.

We would certainly support any proposal to make driver education mandatory since it may do some good and certainly can do no harm. But so far as I know, no underwriter regards a risk which has passed a driver education course as more acceptable on that account alone. It is probable that many underwriters would rather the young driver had not completed such a course than reduce his rate 10% on a class which, in most instances, has been grossly inadequately rated.

Obviously, an older licensing age would be most desirable, as would uniformity between states. Certainly there are very powerful interests which would lobby against raising the age. Also, there is the same basic primary argument that we have in connection with voting, to wit: If a youngster is old enough to fight, he is old enough to drive a car. Finally, in this connection, the worse driving ages appear to come in the last few years before the driver reaches 25. Some of the companies experimented with a special class from age 23 to 25 at a somewhat lower rate and were forced to withdraw and, I am told, with experience indicating that the drivers between these ages were worse than the drivers from 16 to 23.

Now, dealing with the problem of providing a proper insurance market for these risks, I believe this problem is largely one of rates. Ever since the classification plan was adopted, the class 2—young drivers—experience has indicated an inadequate rate differential. Even under the seven class plan with its subsequent modifications, the class 2C rate—"owner or principal operator"—has continued to be extremely inadequate.

We have been hesitant to charge the family car the full penalty for the casual young driver because it had the effect of penalizing the parents during a relatively short period while growing children are automobile operators, feeling that if such risks were written over a protracted period, we should be able to take a calculated risk during these formative years, thereby spreading the insurance cost of the family car. No such obligation was involved in the case of the car owned by or turned over to the young driver, but prior to this year we had no split of experience for such vehicles.

Furthermore, it was thought until recently that it would be difficult to obtain insurance department approval of rates which reflect the actual experience on this class. Early this year, we secured for the first time actual experience under the seven class plan, and this indicated that the class 2C risk justified a rate of 200% of class 3 in the urban territories and in the neighborhood of 235% of class 3 in the rural territories. This literally means that the young owners and principal operators were more than three times as bad as the pleasure driving adult family in the urban areas and approximately four times as bad as the pleasure driving adult family in the rural areas.

We have approached rate adequacy for class 2C in the urban territories of states in which we have made new automobile liability rate filings in 1956, but since the same differential was calculated for all territories, the class 2C rates continue to be inadequate in the rural territories. From an underwriting standpoint, we have



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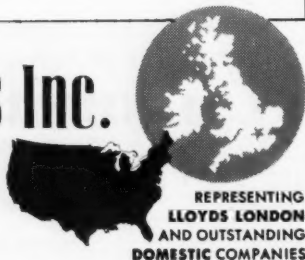
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always felt that we should write our fair share of class 2C business even though we recognized we were writing it at a calculated underwriting loss. In the urban territories of those states in which the new differentials are applicable, we are now underwriting our class 2C business on the same basis as we underwrite our class 1 business. In the rural territories of those states in which the new differentials are not yet effective, we still have to be careful not to get more than our share of this business, recognizing that there are many companies today which either will not write it at all, or write a very limited amount.

Presently the program appears to be to file adequate differentials in the urban territories of all states this year as rate changes are made and to endeavor ultimately to secure adequate differentials for this class in the rural territories. We continue to be delayed in achieving this objective because of our reluctance to institute the sharp increases indicated for such drivers, particularly in view of the relatively short period of experience now available on the seven class basis.

The current inadequacy in the class 2 rates has contributed materially to the adverse experience under the assigned risk plans, where a very large percentage of the volume has been made up of these classes. It is also true from a purely competitive standpoint that the ability to refuse to write these classes on the part of certain direct writers and specialty companies has contributed to their ability to write the balance of the classes at cut rates.

Obviously, from a public relations standpoint, we are entitled to proper rates, and the insurance business as a whole will be much better off when we can get them and when all companies can underwrite all classes of individual private passenger car owners and operators in a parallel manner.

Thomas C. Morrill, vice-president of State Farm Mutual Automobile, writes:

We have been on a class plan, surcharging young drivers, for less than a year. In that short time, the loss ratios on groups that include young drivers have disturbed us to the extent that we have increased the differentials as to these rating classifications in all new rate filings.

The best part of the male, under 25, group is the young married man, established in his own household. The experience here is by no means as good as on the older groups, but it is quite a bit better than any other class that includes young drivers, not excepting the family car with an occasional teen-age driver.

I suggest to you that the problems of (1) insuring these youngsters and (2) of making the group less hazardous by education, licensing control, or other measures are distinguishable. The most immediate task is to provide coverage in the voluntary market. Using the old Dineenism, every class must "stand on its own bottom," which means that the youngsters must be charged what they cost. I have never heard an impressive argument for passing on the extra cost to another group of customers.

Our way of facing up to the capacity problem is to regard the children of State Farm policyholder families as our responsibility, if their driving records in good faith entitle them to consideration. We do not think we have any obligation to take on an unmarried male under 25 whose father is insured

(CONTINUED ON NEXT PAGE)

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(CONTINUED FROM PRECEDING PAGE) with a competitor. But if our rule were the practice of all companies, the capacity question would be reduced.

Scott McIntyre, president of United Fire & Casualty, states:

Our loss experience on youthful unmarried male operators is in excess of 100%. Consequently, we have no choice but to look upon this business as of the accommodation variety. While initially we tried to underwrite this class of risk on its merits, now we find that before we will even consider insuring one of these youthful male operators, we must have the parents' automobile and then only, for our better agents, will we write the youthful risks without accompanying business.

Frankly, we try to keep the limits on policies covering the youthful unmarried male driver low with the usual coverage provided by us being 10/20/5. Some companies writing this business, we understand, attach an endorsement restricting the definition of named insured in such a way so as not to permit the car to be loaned to anyone of named insured's youthful friends.

We have no quarrel with that sort of thinking but we do not attach such an endorsement. As many of these youthful unmarried male drivers are in the armed services, our underwriting practice is to insure these young men and follow them from one service post to another if we have had their insurance before they enter the armed forces or if we have had other insurance in the family. Our experience on armed service personnel is not good.

A year or two ago many of the assigned risk plans in those states in which we operate came out with their no surcharge rule for so-called clean risks. In effect, this meant that youthful drivers would be written at the regular rate even though submitted through an assigned risk plan. We think that this was a very unwise step and, in fact, in one or two cases protested to the governing body of the association. We felt then and are convinced signed risk plans without too much now that because of this no surcharge rule many companies which formerly were trying to underwrite the youthful male risk on his own merit now real-

ize that since many of these youthful male drivers will be going through the assigned risk plan, wonder why should they take such risks on the voluntary market when most others are channeling them into the assigned risk plan? Consequently, the assigned risk plans have been flooded with youthful applicants. This means that the assigned risk plans have grown that much larger, which is bad for the insurance industry as a whole.

While we feel that driver education courses have some merit, we are of the opinion that the results are not quite as good as we would like to believe, and we feel that the education, insofar as driving a car is concerned, should start sooner than the junior or senior grades of high school. By this we, of course, do not mean that those younger folks should be taught to drive. But we do feel that their behavior patterns toward driving a car should be guided or developed before they are actually at the age in which they can obtain a driver's license.

Frankly, we believe that the best possible solution at the moment is to restore the surcharge to the assigned risk plans and make the charge adequate to provide insurers with an underwriting profit. Then the companies will strive to obtain this class of business. We also believe that impoundment of automobiles driven by anyone who cannot meet financial responsibility laws of each state would have the effect of taking many financially irresponsible people from the highways. I personally do not believe in the "first bite" theory. I would like to see everyone off the highways who can kill or maim people yet can't or won't pay for that privilege.

The problem is going to be solved only by long steady attention, not by any startling overnight solution.

Another large underwriter of automobile liability writes:

The unmarried male driver under 25 has been a serious problem to all casualty underwriters. I think this is really pointed up by the premium rates now being charged 2C drivers. As far as actual figures are concerned, here is a quotation from a letter written by T. N. Boate, manager of the accident prevention department of Assn. of Casualty & Surety Companies:

"Before I begin, I might warn you that complete and accurate statistical information pertaining to the accident experience of young drivers is not presently available. Studies by official state departments into their motor vehicle department records, as well as certain research projects conducted by colleges and universities, have reported repeatedly that drivers under 25 years of age, as a group, are involved in more than their share of traffic accidents. The question is, 'If the young driver group has more traffic accidents than older driver groups, just how bad is the young driver group?'"

"While there is an overwhelming volume of evidence that drivers under 25 years of age are 'over-involved' in traffic accidents, limitations in the structure of state motor vehicle records and the failure or inability to apply adequate controls to past investigations prohibit the establishment of a definite degree to which the young driver group is over-involved. Though it is obvious that the below 25 years of age group has established a poor record, it is still not known for sure whether the majority of accidents accrued by this group involved the teenager or the above 20 years group. Sev-



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eral studies, however, have indicated that the teen-ager has fewer accidents than the 20 through 25 age group. Insurance records, by the way, cannot give a complete answer to the questions because insured drivers are not necessarily representative of the entire age group.

"Why is it that we cannot produce a reliable and a specific figure as to the accident experience of young drivers? Let me answer the question by describing for you the essentials of what I consider an ideal study. A valid and reliable study should consider:

"1. The number of accidents marked up against every chronological age group within a given state, or group of states.

"2. The number of individuals in every age group as it compares with the number of drivers in this state or states in which the study was connected.

"3. The traffic accident exposure of each age group as compared to every other age group.

"These three factors should be taken into consideration to obtain absolutely reliable results. To illustrate the difficulties to be encountered in such an investigation, let us consider the following example. If an investigation into a state's motor vehicle department records should show that 10% of the drivers involved in fatal accidents during a given year were in the 18 years of age bracket, it might appear obvious that this age group was having more than its share of accidents. This would be a false conclusion, however, unless we first determine what percentage of the entire driving population was made up of 18 year olds. If it were to be found that 5% of the total driving population belonged to this age group, and that the age group was involved in 10% of the traffic accidents, we might arrive at the conclusion that the 18 year olds were involved in 100% more than their share of traffic accidents. This would not be completely accurate either, since this group's exposure to traffic accidents would not have been compared with the exposure of other specific age groups. And, since measurement of exposure must consider mileage driven and the results of an analysis of a complex driving environment, it can be readily seen that this information is virtually impossible to obtain. Nevertheless, exposure is of vital importance if we are to speak in an accurate manner concerning accident involvement of specific age groups.

"In summary, then, while the 'ideal study' has not been conducted in the past and since the difficulties to be

encountered makes it improbable that such a study will be conducted in the foreseeable future, we must lean on available, limited information to obtain a clue to the answer to our questions. A sufficient number of investigations into state records have complied with the 'study standards' pertaining to (1) the accident involvement of a specific age group and (2) the proportion of drivers within this age group, as compared with the number in the entire driving population to assure us that young drivers are involved in more accidents than older drivers. How bad is the young driver as far as accidents are concerned? This, I cannot tell you."

Going back as far as the early 1930's, Connecticut made an intensive survey and at that time it was clearly indicated that the problem was with the male driver under 25 years of age. The high point was reached somewhere between the ages of 22 and 23. Since then surveys have been made in New York state, Illinois and Michigan and it is my recollection that the same information was produced in these states as was produced in Connecticut some 20 years ago.

How are these drivers being underwritten? Very carefully. It is reported that assigned risk plans throughout the country are receiving approximately 50% of their risks involving male drivers under 25 years of age. Notable exception to this is in Wisconsin where each company is given a credit in the assigned risk plan for every risk involving a male driver under 25 which is voluntarily written. In that state the percentage of under 25 male drivers getting into the plan is much lower.

It is pretty hard to say whether some risks are better than others in this group. Undoubtedly the family car under parental supervision is better than the car owned by an individual male under 25. It is impossible to get definite figures or facts, for in many instances a parent registers and claims ownership of a vehicle which is actually owned or at least principally operated by a male under 25. This is particularly true in that group under 21.

Under present day conditions it is almost impossible to get a higher age limit law enacted. Only last year in Connecticut we had two or three very serious accidents involving several deaths and in each case the car was being driven by a young male. This situation brought about a legislative investigation with the thought of increasing the age limit. But because of public pressure, nothing was done about it. I think this would be true throughout the country.

I am afraid we have a problem here that will need a lot of study and corrective handling before we come up with a solution. One situation facing the casualty industry is that these drivers who are now causing all the trouble will be potentially good insured within a few short years, and of course careful underwriting consideration must be given to them in order not to alienate future customers.

Another underwriter comments:

Young drivers are a problem. There is no question about that, and I believe the average underwriter avoids the risks whenever he can. While I do not have any figures, it is not my impression from the assigned risk business I see that there is any great influx coming to us in this group. I believe, unless there is some particular record

behind the average youngster starting to drive, the business generally finds accommodation along with the family's other business. If the young driver establishes a poor record, he is apt to wind up in the assigned risk pool.

I think some young risks are far better than others, and that, like all other insurance exposure, stems from the character and habits of the individual. There is no question but what driver education courses help, but from what I read in the paper and see by reviewing our own claim files, the average accident the young driver has is not caused by his mechanical inability to drive an automobile. It is poor judgment, recklessness and too much speed—and this is difficult to offset by a driver education course. A lack of parental control also plays a major part in early morning accidents.

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Royal-Liverpool Promotes Griffith, Reid and Owens

Royal-Liverpool has appointed William Reid resident supervisor at Mobile, James H. Griffith resident supervisor in the loss prevention and engineering department at Nashville and Bert L. Owens resident supervisor of casualty engineering at Knoxville.

Mr. Reid will succeed R. F. Savage who will retire at the end of this month. Mr. Reid joined the group in

1944 in the Atlanta field office and was named resident supervisor of the loss prevention and engineering department at Nashville in 1950.

Mr. Griffith joined the loss prevention and engineering department at Richmond in 1949.

Mr. Owens went to the loss prevention and engineering department at Houston in 1949 as an engineer.

Public Service Mutual has moved to enlarged quarters in the new Coliseum Tower building, 10 Columbus Circle, New York City.

Peerless, at Midyear, Has Underwriting Loss, Premium Gain

Earned premiums of Peerless for the first half of 1956, were \$6,168,264, compared with \$5,152,164 during the first half of 1955, according to Dudley W. Orr, president. Total losses incurred, loss expenses incurred, and underwriting expenses of \$6,226,550 compared with \$4,618,040 in 1955 and leave a statutory underwriting loss of \$58,287, as against an underwriting gain of \$534,124 for the comparable period last year.

Mr. Orr attributed the underwriting loss to unfavorable experience in several lines as well as to the large increase in premium volume.

Net income of the company totaled \$460,872, equal to 84 cents a share on the 550,000 shares outstanding. This compares with \$646,597, equal to \$1.29 a share of the 500,000 shares outstanding the first six months of 1955.

Net investment income amounted to \$357,961, up 18% over 1955.

Government Employees' Net Profits Down for First Half of 1956

Government Employees wrote \$14,509,000 in premiums during the first six months of this year compared to \$13,288,000 during the like period last year, but underwriting profit dropped to \$1,842,000 from \$2,887,000.

The increase in unearned premiums was \$1,633,000 compared to \$1,538,000. Losses and loss expenses increased to \$8,495,000 from \$6,470,000. Underwriting expenses were up to \$2,312,000 from \$2,129,000. Profit from investments were down to \$508,000 from \$544,000, and total net profit after taxes decreased to \$1,193,000 from \$1,750,000.

The company increased the annual cash dividend rate from \$1.20 to \$1.40 and had declared a 35 cent dividend payable Sept. 25 to stockholders of record Sept. 10.

Compulsory Auto Panel to Feature N. H. Card

New Hampshire Assn. of Insurance Agents will hold its annual convention, Sept. 10-11 at Crawford Notch, N. H.

A business meeting will open the convention the afternoon of the first day. The casualty conference committee of agents and company representatives will conduct a panel discussion in the evening on compulsory auto insurance, uninsured motorists' endorsement, workmen's compensation and other forms. Publishers of all the state newspapers have been invited to attend this session to question the merits of financial responsibility and compulsory. Ralph Gould, safety director of the state motor vehicle department, will address the convention on a substitute for compulsory.

Wesley G. Angell, claims manager of Mutual Fire Insurance Assn. of New England, will speak on determination of values.

Other speakers will be William H. Brewster, manager of the auto division of National Bureau, on the family automobile policy, and Guy Thomas, secretary of New Hampshire group, on the comprehensive dwelling policy.

Health Institute Names Meeker, Klein PR Men

Health Insurance Institute has appointed Harry C. Meeker and Samuel Klein to its public relations staff in New York.

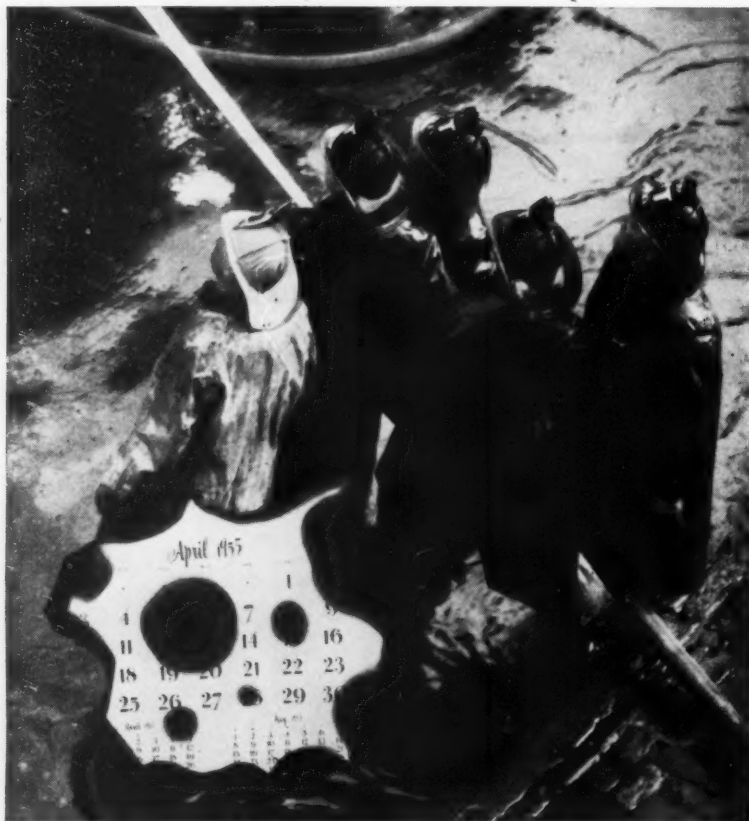
Mr. Meeker was formerly assistant director for the Columbia college de-

velopment office and associate director of the management advisory program, sponsored by Research Institute of America.

Mr. Klein was previously consultant on written an audio-visual information materials with National Tuberculosis Assn. and senior associate editor of *Facts on File*, a news digest magazine.

Employers' to Move Mass. Branch

Employers' group will move its western Massachusetts branch office to 620 State street, Springfield, Mass., on August 13. The new larger office will be air conditioned.



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OKLA. SUPREME COURT

Insured Can Recover Unearned Premium if Bank Note Is Paid

Insured was able to recover the unearned portion of a fire insurance premium when he was judged to have paid a promissory note for the balance due on the premium before the insurer's agent received a like amount from the bank, Oklahoma supreme court found in Security National Fire vs Kimberlin, reported in 8 CCH (Fire & Casualty) 992.

The insurer contended that insured had assigned any right he had to the unearned premium on the policy in the promissory note made payable to the bank and said that the court of common pleas of Oklahoma county admitted evidence foreign to the issues made by the pleadings.

The supreme court held that the right of insured to recover the unearned premium of \$156 depended on the determination of whether he paid the \$175.50 balance due on the premium before the insurer's agent received the payment of an equal amount from the bank. Insured purchased the cover on Dec. 14, 1951, and the note was due Jan. 11, 1952. The high court ruled that the lower court's finding that insured did make the payment before that date was supported by the evidence and that the insurer's agent was therefore legally bound to return the bank's check and secure a cancellation of the note.

Insured testified at the lower court trial that he did not know he had signed the note, that he must have signed it along with other documents in closing a purchase of a home on which the agent was also acting as the realtor. The high court held that insured's testimony on this latter fact was not prejudicial and was in accord with the issues made by the pleadings, and that it could not be said that insured by failure to file a reply admitted the allegations contained in the answer, and proof as to payment to the agent was at fatal variance with his pleadings in the bill of particulars.

Since the action originated in a justice of the peace court, questions of variance and failure to reply do not have the significance they might have had if the cause had arisen in a court requiring more stringent rules of pleading, the court added.

Ohio Federation Names 6 to Study Compulsory Auto

Harry T. Minister, president of Insurance Federation of Ohio, has appointed a special committee to study the compulsory automobile insurance situation in the state and to devise plans to combat its introduction at the next legislative session.

Members are C. D. McVay of Ohio Farmers, Fred E. Jones of Buckeye Union, Paul R. Gingham of State Auto Mutual, William Cook of Republic Indemnity, Paul R. Beuhler of Mutual Indemnity and L. M. Dunathan of Shelby Mutual.

New Booklet Gives Tips to Agents on Radio Advertising

The first in a series of local agency advertising booklets has been published by the Fire, Casualty & Surety Bulletins department of the National Underwriter Co. Under the title "Sell Insurance by Radio? Sure You Can," the booklet puts emphasis on the prac-

tical side of radio time buying. Information in the booklet appeared first in the sales section of the F.C.&S. Bulletins, but is now available separately for \$2 from the National Underwriter Co., 420 East Fourth street, Cincinnati 2, O., or its branch offices. The booklet features a discussion of why an agent should use radio, how to buy a radio time, how to word commercials, and other valuable information.

Travelers Makes College Grants

Grants totaling \$17,500 have been awarded by directors of Travelers group to five Connecticut colleges and universities. Travelers contemplates annual giving to private institutions of higher learning located in Connecticut whose graduates have been associated with the companies.

Based on a formula that takes into consideration present employment experience, which may vary from year to year, grants were made immediately available to Yale \$7,500, Trinity \$6,000, Wesleyan \$2,000, St. Joseph's \$1,500, and Connecticut college \$500.

A spokesman for Travelers said it was hoped in this way to "reimburse those institutions for the cost of educating those of their graduates who eventually use that education to further the group's business interests."

These gifts equal the yearly yield, at 5%, on a \$350,000 endowment.

The plan adopted is similar in principle to recommendations set forth by the commission on financing higher education in that it makes use of unrestricted gifts on an annually recurring basis to provide beneficiaries with funds to meet operating expenses, in contrast to the more common practice of granting endowments which are often restricted in nature.

Alpena Agents Reelect Officers

Alpena (Mich.) Assn. of Insurance Agents has reelected all of its officers. They are Frank D. Bailey, president; Clarence H. Zeller, vice-president, and Royal F. Bertram, secretary-treasurer.

U.S. APPEALS COURT

Denies the Admission of a Lie Detector Test as Evidence

It was not error to refuse admission of a lie detector test as evidence even though insured had testified that he had taken the test to prove he had not purposely set fire to his dwelling and garage apartment, U.S. fifth court of appeals ruled in California Ins. Co. vs Allen, reported in 8 CCH (Fire & Casualty) 982.

The insurer charged that the district court had erred in its refusal to admit the lie detector tests and in its finding of sufficient evidence to support insured's allegation that he did not purposely burn his dwelling.

The lie detector tests were administered by an arson investigator for the city of Houston, who interpreted the results as indicating that insured did not tell the truth.

The appeals court pointed out that authorities and decisions are practically unanimous in their rejection of lie detector tests as evidence until

the training and expertness of the examiner has been more adequately standardized and until there is general scientific recognition that reasonable certainty follows from such tests.

The court also denied the motion of insurer that when insured took the stand in his own defense and told of his having taken the lie detector case, the results became admissible for all purposes. The appeals court said the district court considered such evidence only to the extent necessary to remove any unfair prejudice which might otherwise have ensued from the original evidence.

The higher court added that, upon examination of the entire record and exhibits and with regard to the superior opportunity of the district court to judge the credibility of the witnesses, it could not set aside its findings of fact as clearly erroneous.

David Bland represented the insurer and Samuel Williamson and John W. L. Hicks were lawyers for insured.

Robert L. Saxton, Clarke Jennings and Protective Insurance Agency, Yakima, Wash., local agencies, have merged under the name of Protective Insurance Agency Inc., with offices at 102 North 2nd street.

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EDITORIAL COMMENT

Object Lesson in Public Relations

The high regard in which President Eisenhower's press secretary, James C. Hagerty, is held by newspaper men generally adds prestige to the standing of the public relations function everywhere. And there are some worthwhile deductions to be drawn for the insurance business, in which, as in many other businesses, there is a tremendous range in the degree of success and understanding of the nature of public relations.

Mr. Hagerty is unquestionably an outstandingly competent newspaper man and skilled at getting along with people. But essential as those qualities are, they are only part of the story and would be fairly useless without the trust which his chief has in him. This means more than just confidence in Mr. Hagerty's ability to carry out an assigned task. It means a very large measure of trust in his judgment of the right way to deal with the newspapers.

Perhaps the chief error made by top management in connection with public relations is to override the judgment of the experienced and presumably capable man who is supposed to have charge of the public relations function.

Very often the top management, while yearning for the advantages that good publicity brings, has so little real faith in the proven principles of good public relations that it violates them the first time there is a conflict between them and short-range expediency. The luckless public relations man is then expected to get the company out of the resulting jam.

Mr. Hagerty's handling of the President's heart attack and later his operation were excellent examples of following sound public relations practices in the face of what must have been a tremendous temptation to conceal and distort. As a result, there were some who thought that maybe there was more frankness than necessary but certainly there were no fantastic whispered rumors as there were during the serious illnesses of Presidents Wilson, Harding and Franklin D. Roosevelt, for example.

The truth when publicized is sometimes painful but nearly always it hurts far less than the results of trying to conceal something that will only erupt in weird distortions if attempts are made to suppress it.

What Shall We Call the EDPM?

The rapidly increasing use of electronic data processing machines has intensified a curious though not very important problem. The problem is simply: What do you call these machines?

"Electronic data processing machine" is obviously much too much of a mouthful as a generic term for everyday use. It would be like calling an automobile a self-propelling passenger-carrying mechanism.

It's a pity that whoever applied the term "electronic data processing machine" to this type of mechanism didn't foresee the need for a short title and choose words whose initials would constitute a handy nickname. "EDPM" is not only unpronounceable but even defies ingenious efforts to twist it into something pronounceable, like Fannie Mae for FNMA, the Federal National Mortgage Assn. And, unfortunately the term "electronic data processing machine" has such limited currency except among the specialists that nearly everyone else would have little or no idea what the initials stand for.

We were reminded of this problem

recently by a letter from Remington Rand courteously reminding us that the word "Univac" is a registered trademark of Remington Rand, that it should always be capitalized, should be used only to describe Remington Rand machines, and should be preceded by the words "Remington Rand." Actually Remington Rand is in the unusual position of having thought up such a catchy name for its EDPM that the general public has latched on to it and pretty much made it the layman term for every kind of electronic calculator. The same sort of thing happened to Dictaphone, Kodak, and Teletype. All of these are registered trademarks that have come to be thought of by the public as common nouns.

Incidentally, among the non-technicians there is quite a widespread illusion that the "vac" at the end of "Univac" is in the name because the machine uses vacuum tubes in its operations. Actually, however, the "univ" part of the name derives from "universal" and the final two letters stand for "automatic" and computer."

Even "electronic computer," though less cumbersome than "electronic data processing machine," leaves considerable to be desired as a generic term—it's only two words, to be sure, but they add up to seven-not-too-euphonious syllables.

Maybe the answer is to put the machine itself to work on the problem: Feed into the circuits all the factors that make for a catchy, appropriate designation and turn the machinery loose on the job of combining various letters of the alphabet into a list of possibilities from which the final choice would of course still have to be made by comparatively slow, non-electronic human brains.

PERSONALS

Sidney Salomon Jr. of the Salomon, Hannagan, Portmoy & Associates agency of St. Louis has been made honorary national finance chairman of the 1956 Democratic senatorial campaign committee. One of his chief duties will be to organize fund raising dinners throughout the country. Mr. Salomon, a former treasurer of the Democratic national committee, was director in 1954 for the Democratic senatorial campaign committee which won a majority control of the senate.

Arthur F. Lamanda, deputy insurance superintendent of New York, is confined to his home for a few days with an injured knee.

Charles L. Hurley has observed his 71st year with George M. Stevens & Co. agency of Manchester, N. H. He has been a partner the past 49 years.

DEATHS

D. J. KEGLER, 84, a local agent at Louisville for more than forty years, died after a short illness. He had been active in the business until the time of his illness.

CARL NOREN, 61, state agent of Home in Connecticut, died of a heart attack in Hartford. He had been with the company since 1939. He resided in Marlboro, Conn.

C. R. MAGILL, 52, former manager of the southeastern department of American, died in Atlanta after a long illness. He joined the company in 1928. He was a field man in North Carolina for 14 years. When the Atlanta office was changed from a field to a service office in 1953, he was named manager with supervision over operations in Georgia, Florida and Tennessee. He

became manager of the new southeastern department earlier this year, but took a leave of absence in May due to ill health.

MRS. GEORGE O. CARPENTER JR., 72, the wife of a partner in the W. H. Markham & Co. agency of St. Louis, died.

FREDERICK H. MILLS, 32, local agent and alderman of Meriden, Conn., was killed in an automobile accident in Branford, Conn. He was past-president of Meriden Assn. of Insurance Agents and was a director of Connecticut Assn. of Insurance Agents.

E. C. MOONE, local agent at Rochester, N. Y., for 15 years, died there after a brief illness.

JAMES S. ROWE, 74, retired local agent at Water Valley, Miss., died there after a long illness.

C. RALPH BARKER SR., 66, who was with A. H. Baker Co., Washington, D. C., agency for more than 50 years, died after a heart attack at a Washington hospital. He joined the agency as a bicycle messenger delivering insurance policies and rose to president of the agency. He was a member of the governors board of Underwriters' Assn. of District of Columbia and was a past president of Insurance Club of Washington.

C. GLOYD LYNCH, secretary of Mutual Fire of Carroll county, Md., died after a short illness. He joined the company in 1900 and became secretary-treasurer in 1904.

DERRILL D. MCCAIN, 63, a partner in the Seay & Hall agency of Dallas, died. He had been in insurance for 43 years, starting with U.S.F. & G. He went with Seay & Hall in 1918 and bought an interest in the agency in 1937 following the death of Mabry Seay. In 1952 Mr. McCain established the Mabrey Seay award, given each year to the agent in Texas who has done the most for the business.

J. E. MATHIS, 81, local agent at Carlisle, Ky., died.

JOSEPH A. HUBER, 68, local agent at Cleveland since the early 1920s, died there after an illness of several months.

T. R. RICHARDS, 57, local agent at Russell, Ky., died.

HARVE G. BADGEROW, 73, a broker with W. A. Alexander & Co. general agency of Chicago, died. Mr. Badgerow entered the insurance business in Chicago in 1909 and shortly thereafter became resident manager of Title Guarantee & Surety. He became a partner in the Rockwood-Badgerow Co. agency in 1914. Mr. Badgerow was instrumental in forming Insurance Federation of Illinois and was its first president in 1914 and who reelected

THE NATIONAL UNDERWRITER

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SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.



president following World War I. He was also president of Insurance Federation of America in 1921. Mr. Badgerow joined Continental Casualty in 1922 and organized the fidelity and surety departments of that company. In 1930, he began his long career as a broker with W. A. Alexander & Co.

HAROLD T. PHINNEY, 68, vice-president of Providence Washington until his retirement three years ago, died at Providence. He was with the company from 1908 until 1953, eight years as secretary. In 1946 he was appointed vice-president.

DANIEL F. BURKHART, 67, Cleveland agent, died in his home. For 30 years he had headed his own agency, D. F. Burkhardt & Co., specializing in transportation insurance. In earlier years Mr. Burkhardt was manager of the W. J. Burns Detective Agency at Cleveland.

University Teachers Take Tour of Chicago Insurance

Five insurance instructors from mid-west colleges and universities this week toured Chicago insurance offices and associations, this being the seventh year of this activity. Western Underwriters Assn. is in charge and the teachers met in the WUA offices Monday for discussion, spending the afternoon in the western department of some of the member fire companies. On Tuesday there were further visits to the companies in the morning and in the afternoon a tour of Factory Association and Oil Association. Aetna Casualty was host to the group on Wednesday, and on Thursday there was a visit to Cook County Inspection Bureau and Underwriters Laboratories, followed by a dinner at the Union League Club. The Friday schedule calls for a stop at Western Adjustment and Underwriters Salvage.

The visitors this year are W. L. Burdick of Western Michigan college; W. H. Fichthorn of Ohio university; L. M. Filley of Milliken university; John E. Stinton of Indiana, and Henry E. Theobald of Northwestern.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Aug. 7, 1956.

	Bid	Asked
Aetna Casualty	127	130
Aetna Fire	65	66 1/2
Aetna Life	188	192
Agricultural	33 1/4	34 1/4
American Equitable	34 1/2	36
American Auto	25 1/4	27
American, (N.J.)	32	34
American Motorists	13	14
American Surety	19 1/2	20 1/2
Boston	34 1/4	35 1/4
Camden Fire	28	29 1/2
Continental Casualty	100	102
Crum & Forster com.	61	63
Federal	35	36
Fire Association	49 1/2	51
Fireman's Fund	57 1/4	59
Firemen's, (N.J.)	39 1/4	40 1/4
General Reinsurance	46 1/2	48
Glens Falls	69 1/2	71 1/2
Globe & Republic	21 1/2	22 1/2
Great American Fire	36	37
Hartford Fire	149	152
Hanover Fire	41	42 1/2
Home (N.Y.)	43 1/2	44 1/2
Ins. Co. of No. America	99	101
Maryland Casualty	35	36
Mass. Bonding	35 1/4	37
National Casualty	55	56 1/2
National Fire	132	135
National Union	40	41 1/2
New Amsterdam Cas	47 1/2	49 1/2
New Hampshire	42	44
North River	33	34 1/2
Ohio Casualty	24 1/2	26
Phoenix Conn.	71	73
Prov. Wash.	23 1/2	24 1/2
St. Paul F. & M.	55	56 1/2
Security, Conn.	39	41
Springfield F. & M.	53	55
Standard Accident	52 1/2	54
Travelers	75 1/4	76 1/4
U.S.F. & G.	62	64
U. S. Fire	24	26

N.Y.C. Producers Urge Bi-Centralization of Compulsory Files

New York City agents and brokers are urging the motor vehicle bureau to adopt a bi-centralization plan for filing and processing compulsory automobile forms.

The paper work problem involved in keeping track of the insurance status of 5 million registered motor vehicles in the state has been under discussion by the MVB and the insurance business. A sharp difference of opinion has developed over the advisability of carrying over the system of bi-centralization of records presently employed by MVB for filing of safety responsibility or of shifting into a new centralized system under the compulsory law.

The agents and brokers have sent a letter to MV Commissioner Kelly listing 10 reasons why the present bi-centralization of MV records be continued.

Under the system in use at present, the records of 12 of the down-state, or urban and suburban, counties are kept separate from the other 50 upstate, or rural, counties.

The reasons for backing bi-centralization of the producers are: Centralization is discriminatory on its face; upstate centralization would greatly inconvenience the vast majority of the state's motorists. New York City is the insurance center, and the presence of many trained insurance men would be of inestimable aid to solving problems on the spot and face to face. The necessity of conducting all business by mail to and from Albany would sharply increase the need for additional MV personnel and added expense for administering the system—this, in addition to the delays because of the pile up of mail and the opportunity for mistakes, would be multiplied.

Also, it is inconsistent to file safety responsibility forms down-state and certificates of insurance upstate. Centralization upstate would create great difficulties for liaison operations between the MVB and the New York City police department. Hearings on revocations or other matters pertaining to the compulsory law would necessitate the transfer of files from Albany to New York City or would force New York City residents to travel to Albany. The work load which would be created by centralization would not be mitigated by adding more telephone lines or teletype machines in New York City, and it would result in duplication of effort. Long delays in getting needed information would create public distaste for the entire operation and would subject everyone involved to strong criticism. And, errors in filling out certificates or other problems created by insurance company, agency or broker errors would be handled more efficiently in over-the-counter exchanges possible only under bi-centralization.

N. E. Bureau Holds Up Restrictive I. & B. Rule

New England Fire Insurance Rating Organization has notified companies that pending further review, it will be permissible to delete the phrase "and made at the expense of insured" in improvements and betterments coverage. Producers had argued that it made insurance on I. & B. unavailable or uncollectible if the landlord made the improvements and charged their cost in the rent, and if the improvements were made by a previous tenant who sold them to insured, and if improvements were made by unspecified persons.

Strudwick Opens Chicago Unit, Names Two at Head Office

A. E. Strudwick Co., reinsurance brokers of Minneapolis, has opened a new office at Chicago. Howard A. Goetz and Joseph C. Kunches have



Joseph C. Kunches



Howard A. Goetz

been named vice-presidents of the Chicago operation with offices at 208 South LaSalle street.

Mr. Goetz has had 15 years of experience in primary insurance and re-



V. E. Samuelson



Donald E. Taylor

insurance. He was with Continental Casualty, Reinsurance Agency Inc. of Chicago and more recently has been

reinsurance manager at Chicago for Griffiths, Tate Ltd.

Mr. Kunches has been in the business for 10 years in both underwriting and production. He entered the excess and reinsurance field in 1949 and most recently has been reinsurance department manager for Fred S. James & Co. agency of Chicago.

Donald A. Taylor and Vernon E. Samuelson have joined the head office of Strudwick Co., Mr. Taylor as field accounts consultant and Mr. Samuelson as office manager and inside accounts man.

Mr. Taylor, who has been in the business for 20 years, has had casualty, fire and crop-hail experience with Inter-Ocean Re, Mutual Reinsurance Bureau, Farmers Mutual of Madison and more recently with Midwest Reinsurance Agency of Cedar Rapids.

Mr. Samuelson started in the business in 1946 and has had both fire and casualty experience. Most recently he has been underwriting manager for Hardware Dealers Mutual Fire for the northwestern department.

S. C. Grants Auto Insurer a Charter

National Automobile Ins. Co., has been granted a corporate charter in South Carolina. Its capital is listed at \$200,000. H. D. Gurley Jr. is president.

\$4.8 Million Bond in California

LOS ANGELES—Vinnell Co. and Vinnell Constructors of Alhambra, Cal., have been awarded a contract at a bid price of \$4,893,086 by California department of public works for construction of 2.6 miles of highway between Los Angeles and the Los Angeles river. Hartford Accident is surety for the contractor.

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FIELD

Southwest General Makes Three Field Appointments

Southwest General has made three field appointments in Georgia and Texas.

Roger Bridgwater, formerly manager at Amarillo, has been promoted to state agent for Georgia with headquarters at Atlanta. Prior to joining Southwest in 1953, Mr. Bridgwater was with a Texas general agency.

Gordon Coffey has been promoted to state agent for Texas with headquarters in the home office. He joined the company in 1953 and prior to that had been a special agent and an adjuster for General Adjustment Bureau at Dallas.

J. D. Pavillard has been named special agent in Amarillo to succeed Mr. Bridgwater. Mr. Pavillard had several years of local agency experience and was a special agent for Cravens, Dargan Inc. since 1953.

Atlas, Albany Open Field Office in Minnesota

Atlas and Albany have opened a field office in the Builders Exchange, Minneapolis, to handle the state of Minnesota. Western Manager Frank L. Ludington has announced.

Robert Peel Nelson has been appointed state agent in charge. Atlas and Albany have previously operated in Minnesota through general agencies.

Mr. Nelson started his career with the Minnesota department and more recently has been in the Minnesota field for Northern of London.

Great American Promotes Gregg to Tenn. State Agent

Lynn B. Gregg has been named state agent in Tennessee for Great American to succeed John E. Peterson, who resigned. Mr. Gregg will have headquarters at Nashville.

He has had fire protection and engineering experience with the company as well as previous field experience.

Standard Accident Names Cook Field Representative

Standard Accident and Planet have named Charles W. Cook field representative with headquarters at Cleveland. He started with the company in 1955 at Cleveland as a casualty underwriter.

Home Promotes Way to State Agent in Cal.

Home has promoted Howard L. Way Jr. from special agent to state agent at San Diego under supervision of Sim E. Wherry, resident vice-president at Los Angeles.

Before joining the company as a special agent in 1941, Mr. Way was with Pacific Fire Rating Bureau.

Wood Joins Mass. Bonding as Oregon Special Agent

Gordon T. Wood has joined Massachusetts Bonding as special agent for Oregon with headquarters at Portland.

Mr. Wood began his insurance career as an underwriter with the Sweet & Crawford general agency at Portland and for the past year had been with the Cole, Clark & Cunningham local agency there.

Travelers Changes

Several field appointments have been made by Travelers. In fire and marine they are John P. Gulickson at Los Angeles, William W. Eddy Jr. at Kansas City, Donald G. Wagoner at

Syracuse with headquarters at Albany, Robert B. Fridland at Minneapolis and Louis P. Jervey Jr. at Richmond.

Great American Names Dupree La. Field Man

Great American has appointed Kent Dupree special agent in Louisiana at New Orleans to assist Special Agent Harry G. Spaulding Jr. Mr. Dupree was formerly with Mississippi Rating Bureau.

Rudrud Joins Fire Association in N. D.

Ralph R. Rudrud has been appointed North Dakota state agent by Fire Association, succeeding D. C. Brown, who has retired. Mr. Rudrud has been special agent of Home in the same territory. His headquarters will be in the Black building, Fargo.

Pacific Group Names Boggs in No. Indiana

Allan C. Boggs Jr. has been appointed state agent by Pacific Fire, Bankers & Shippers and Jersey to travel northern Indiana with headquarters at South Bend.

The state has previously been supervised by Arthur J. Landgraf out of Indianapolis and the territory is now being divided with Mr. Boggs handling northern Indiana and Mr. Landgraf Indianapolis and southern Indiana.

Mr. Boggs has been in Michigan and Indiana as field supervisor for Excelsior for five years and prior to that was with Underwriters Adjusting at South Bend.

Phoenix, Eng., Names Special, Moves Office

Phoenix of London has appointed Gilbert V. Williams special agent in New York and has moved its Richmond office to larger quarters in the Insurance building.

Mr. Williams, who will work under the direction of William Streets, manager at Albany, will have offices at 11 North Pearl street, Albany. Before joining the group he was special agent in western Pennsylvania and Connecticut for American of Newark.

The Richmond office will continue under the direction of Roy E. Bucher, resident manager. It serves Virginia and the District of Columbia.

Great American Names R. L. Green at Detroit

Robert L. Green has been added to the Great American field staff in Detroit and Wayne county as special agent. He has been with the group since April after service with Michigan Inspection Bureau, most recently handling engineering and underwriting assignments. He will have headquarters in the Michigan department offices at 625 Shelby street, Detroit.

Joins Godchaux & Mayer

Marvin J. Perrett has been named casualty and surety special agent for Godchaux & Mayer, Ltd., New Orleans general agency. He has had branch office and field experience.

Gatlin to Miss. Field

Robert E. Gatlin has been named Mississippi special agent for Henry A. Steckler Co., New Orleans managing general agency. He will have headquarters at Jackson with Special Agent Reber McKay.

Atlas Names Tynes in N. C.

Atlas and Albany have appointed Matthew P. Tynes special agent in North Carolina. His headquarters will be in the Piedmont building, Room 404, Greensboro.

Taylor Joins Zurich as Field Assistant in Wash.

William S. Taylor has joined Zurich as field assistant with headquarters at Seattle. He was formerly in a similar post with the Seeley & Co. general agency there.

Mr. Taylor and his father operated a local agency at Bremerton, Wash., from 1951 to 1954 when he joined London & Lancashire at San Francisco. He joined Seeley & Co. in 1955.

Houston F.&C. Promotes Two in Pacific Department

Houston F.&C. has promoted Berton M. Tibbet to executive special agent in the Pacific coast department and T. Harold Marks from the Pasadena field to branch manager at San Diego.

Mr. Tibbet joined the company as an adjuster at Pasadena in 1950 and later opened the company's branch offices in Arizona and San Diego.

Mr. Marks has more than 10 years of local agency and company experience.

McCarthy to Louisiana Field for Boston

John J. McCarthy has joined Boston as special agent for Louisiana with headquarters at New Orleans.

Mr. McCarthy was formerly with General Accident, the Black, Rogers & Co. general agency and Maryland Casualty.

Jefferson Joins Camden as Virginia State Agent

George G. Jefferson has joined Camden Fire as state agent for Virginia with headquarters at Richmond. He began his insurance career with Virginia Rating Bureau and has had field experience in Virginia, District of Columbia and Maryland.

Bradshaw to Mo. Field for New Hampshire

New Hampshire group has named J. L. Bradshaw state agent in eastern Missouri at St. Louis. He was formerly manager of the St. Louis fire and marine department of Maryland Casualty.

A & S

Research Program in Mich. Rate Study Gets Temporary Setback

The University of Michigan withdrew an earlier offer to undertake the research necessary in a comprehensive study of Michigan Blue Cross-Blue Shield organizations following resignation of the research program's director, Dr. S. J. Axelrod, professor of public health at the university.

The complete study is to be conducted by a special commission appointed by Gov. Williams.

Dr. Axelrod, now in Europe, wrote that the "research program... developed for the commission requires the wholehearted cooperation on the part of the interested parties. It is quite clear," he added, "that such cooperation will not be forthcoming and, under these conditions, I feel that an effective research program cannot be carried out."

Marvin L. Niehuss, university vice-president, notified Commission Chairman George E. Bowles of Dr. Axelrod's decision and explained that because Dr. Axelrod was best qualified to head the program, it was decided the uni-

versity should withdraw from participation.

The commission planned to set up a \$200,000 budget to finance the research which Dr. Axelrod estimated would take 18 to 24 months. The commission's purpose is to seek the basic causes for a steady rise in the cost of hospital care in Michigan and the subsequent rise in Blue Cross rates.

Fla. Adopts NAIC A&S Ad Regulations

The Florida department had adopted new regulations governing the advertising of A&S policies in the state.

Commissioner Larson said the new rules are essentially the same as those adopted last December by National Assn. of Insurance Commissioners. The new regulations were fully aired at a recent public hearing, he added. An interpretive guide to supplement the rules will be sent each A&S insurer doing business in the state.

Calls for Language Reform in A&S Policies

Dr. George I. Swetlow, professor of medico-legal jurisprudence at Brooklyn Law school said, in a monograph published by Insurance Advocate, that the insurance business must fashion clear and unambiguous language for the suicide clauses of A&S policies to reduce litigation arising from accidental death benefit claims.

He characterized judicial precedent on suicidal deaths covered by A&S policies as a hodge podge based on out-moded, decreed assumptions which do not conform with present day understanding of the motives and psychological urges which lead to suicide. His suggestions follow the doctrine, expounded in 1954 in the case of Durham vs United States, which declared that accidental death benefits shall only accrue where insured suffers from a mental illness or defect and where the act of self destruction is related.

Aetna Life Marks

Hoodoo Day with Sales

Aetna Life group marked the recent Friday the 13th by selling more than 6,600 new A&S policies. The company has a tradition on Fridays that fall on the 13th, called Hoodoo Day, to stage a campaign stressing accident cover. During the recent 13th more than \$250,000 was sold by nearly 1,900 agents. And, 141 of them wrote 13 or more policies.

Leader of the Hoodoo Day was William E. Bishop, Aetna Casualty representative at Atlanta, who wrote 57 policies.

Ill. Mutual Casualty Gets 1,310 Apps in "Girls' Week"

The annual "Girls' Week" campaign of Illinois Mutual Casualty, which has been carried on for a number of years under the direction of Miss Gladys P. Edwards, secretary-treasurer, resulted in 1,310 applications and a premium volume of \$22,385 in the week of July 9-13.

Hearthstone Promotes Nine

Nine promotions have been made by Hearthstone of Boston, a member of the Combined of Chicago group. Fred Aronne, sales manager in southern Massachusetts, has been appointed sales manager for Combined in Canada. Richard Stone, sales manager in New York for Hearthstone, has been assigned to the sales staff in the Chicago headquarters of Combined. Joseph Callahan, sales manager in New Hampshire, has been appointed sales manager for Hearthstone in southern Massachusetts. John Curran, New Jer-

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WANTED

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Write details with recent photograph to Box N-82, The National Underwriter Company, 175 W. Jackson Blvd., Chicago 4, Illinois.

PRESIDENT WANTED FOR A SOUTHERN FIRE & CASUALTY CO.

A southern fire and casualty company seeks an executive officer. Casualty experience necessary. Direct replies with references to Box NY-53, c/o The National Underwriter Co., Advertising Dept., 99 John St., New York 38, N. Y.

WANTED—FIELD SUPERVISOR

Unusual opportunity for experienced person to supervise Indiana for this alert property insurance company that belongs to its agents. Give us details of your qualifications and perhaps references.

Excelsior Insurance Company
Syracuse 2, New York

WANTED

Experienced Casualty Underwriter as Superintendent of Casualty Insurance Dept., of the Washington, D.C., Branch Office of a well-known multiple line company. Salary open. Replies held in strict confidence. Write fully to Box No. N-71, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE UNDERWRITER

Experienced in Boiler and Machinery lines. Position in Boston, Massachusetts office of large casualty company. Please send resume of personal history, training and experience in reply to Box N-72, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE PROTECTION ENGINEER

Resident engineer in Northeastern U. S. Prefer man under 40 with experience or training. Salary commensurate with ability. Regular increases. Excellent company benefits. Write stating age, experience, education, and enclose recent photograph. All replies confidential.

Personnel Manager

The Lumbermans Mutual Insurance Co.
Mansfield, Ohio

COMPENSATION AND LIABILITY UNDERWRITERS

Excellent opportunities in new ultra modern building; merit increase program, liberal benefits, pleasant working conditions, 36 1/4 hours.

LUMBERMENS MUTUAL CASUALTY COMPANY

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Beechwood Road, Summit, N. J.

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ATTENTION COMPANIES

Am a man with Home Office experience in recruiting, inspiring, and building a company agency by agency. Under 40. Current record available. Am seeking top agency position and responsibility. Address Box N-75, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

SPECIAL AGENT — PENNSYLVANIA

Fire Company new in Multiple line coverages needs Special Agent for Pennsylvania. Must locate in or near Allentown, Pa. Salary open. Replies confidential. Write Box N-76, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY FIELDMAN

Expanding progressive multiple line company requires services of an experienced casualty fieldman to further develop and service an established fire and marine agency plant in Ohio. Age to 40. Include age, experience, education and military status in reply to Box N-77, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

ADVERTISER, IRISH, 27

Invites offers of employment in U. S. A. Eight years handling American business in London market. Experienced multiple-line underwriting; reinsurance; some knowledge aviation and marine. Proved organizing ability in executive capacity. Available short notice. Write Box N-78, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

CLAIM ATTORNEY

Experienced in handling Fidelity and Surety claims. Good opportunity with expanding Department located in Kansas City. Exceptional employee benefits. Write age, experience and salary requirements to THE WESTERN CASUALTY & SURETY CO., 916 Walnut Street Building, Kansas City, Missouri

WANTED

Man with General Agency or Brokerage Experience to assist in successful brokerage office; preferably one who has completed army service. This is a real opportunity for the right man. State experience, education and salary now receiving. All information confidential. Write Box N-74, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

sey sales manager, has been named sales manager in New Hampshire; John Knapp, sales manager in New York state, has been named sales manager in New York city; Donald Campbell, sales manager in Vermont, has been named sales manager in New York state, with headquarters at Syracuse; Kenneth Tatro, agent in western New York, has been named sales manager in New York state, with headquarters at Canadaigua; Russell Curtis, agent in New York state, has been promoted to sales manager in Vermont, and Arthur Krigest, Massachusetts agent, has been promoted to sales manager in southern New Jersey.

W. Va. Toughens Exam for New A&S Agents

West virginia department has completed and put into use a new 80-question examination for applicants seeking licenses to sell A&S in the state in an effort to cut down complaints arising from the sale of these policies.

Prepared by Richard Stouffer, deputy commissioner, the revised examination went into effect July 25. Most of the 100 complaints filed with the department each month stem from the lack of knowledge on the part of the agent selling A&S, Commissioner Gillooly commented. The revised examination is more comprehensive than the former one, covering every phase of A&S from sale to delivery.

The department recently has required companies to file credit and character reports on new agents, Mr. Gillooly added. Abuses in A&S have resulted in the revocation of several agents' licenses, and one company has had its license to sell A&S in the state revoked. A total of 263 companies and more than 4,000 agents are currently licensed to sell A&S in the state.

N. Y. Studies State Employee Health Plan

New York legislature has begun a study of the practices of insurers and non-profit plans in the field of health insurance in the state for use in a plan to cover 80,000 present and retired state employees.

The inquiry is being carried on by the joint committee on health insurance plans and will be completed within two months. It is part of a broad examination of individual and group health cover by the committee. It will provide information and criteria for use by a temporary health board established by the legislature to develop the health plan.

A questionnaire to 11 insurers that underwrite the bulk of health policies in the state asks the type of health cover offered and the coverage available; gaps in the coverage; practices with respect to cancellation of policies; rights of policyholders to convert their health cover from group to individual enrollment; various restrictions enforced by the companies based on age and retirement and other factors, and enrollment of insured in rural areas.

Similar questions have been asked of voluntary non-profit and independent plans such as Blue Cross, Blue Shield, Group Health Insurance etc. Questionnaires have been sent to Aetna Life, Connecticut General Life, Continental Casualty, Equitable Society, John Hancock, Metropolitan Life, Mutual Benefit H.&A., New York Life, Prudential, Travelers and Union Labor Life.

Columbia university's school of public health and administrative medicine is conducting the fact finding.

FTC Schedules More Hearings

While Examiner Laughlin of Federal Trade Commission conducted a hearing in Washington last week on the

FTC complaint against American Casualty, charging false advertising of its A&S policies, Examiner Hier scheduled hearings at Minneapolis, on the complaint against Minnesota Commercial Men's Association, and at Omaha, on the complaint against World Insurance.

Lang Named in Cal.

Edward Lang has been named regional manager for the Pacific southwest group division of Mutual Benefit H. & A., handling group sales and service operations in California. He has been in the group field since 1947.



ORGANIZED in 1880, IOWA STATE is the oldest organization of its kind in the world. Reputable, strong and experienced, it offers to the white-collar worker a modern accident insurance coverage tempered with old fashioned friendliness and consideration... and at a cost consistent with the most modest budget.

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**TRAVELING MENS
ASSOCIATION**
DUTTON STARK, Secretary
DES MOINES, IOWA

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Automobile

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Inland Marine

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Crop Hail

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Inquiries Invited

Cimarron Insurance Company, Inc.

Cimarron, Kansas

NOSKER EMPLOYMENT AGENCY
Insurance Specialists 33 years
Operating in California exclusively
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GENERAL MANAGER

610 So. Broadway Los Angeles 14

Nationwide Mutual Has Loss in First Six Months

Nationwide Mutual in the first six months of 1956 had earned premiums of \$59,671,000, President Murray D. Lincoln reported. Claims paid in the same period were \$43,431,000, and Mr. Lincoln said: "If we have that kind of experience the second six months we'll top last year's claim losses by a substantial margin." Nationwide Mutual had an underwriting loss in 1955. The company had a surplus as of June 30 of \$34,955,000.

Nationwide Mutual Fire for the half year had earned premiums of \$7,183,000, and claims of \$3,912,000.

Commenting on the loss situation, Mr. Lincoln said: "The highway accident problem is fast growing into the proportions of a national calamity... the new federal highway construction program might help, but you can't legislate to improve drivers' attitudes, and that's the big obstacle to highway safety."

Cambridge, Mass., Agency Marks 90th Anniversary, England Now President

W. B. Hastings & Co., general agency of Cambridge, Mass., is marking its 90th anniversary. Founded by Watson B. Hastings, it is the oldest insurance agency in Cambridge. Frederick J. England is the president now.

The agency was originally located on Cambridge street and has remained within a stone's throw of the original location ever since. Prior to Mr. England's purchase of the agency in 1948, the business has been run by members of the Hastings family. Mr. England was a special agent in Massachusetts and New England production manager for Standard Accident before buying the agency.

Mr. England is past president of Massachusetts Assn. of Insurance Agents, past president of Cambridge Assn. of Insurance Agents, state director of National Assn. of Insurance Agents and vice-president of Saugus, Mass., Trust Co.

D.C. Agents Set Up Five New Committees

Five new committees have been set up by District of Columbia Assn. of Insurance Agents. They and their chairmen are: headquarters, T. Huntington Block; public relations and Eastern Agents Conference, A. L. Jagoe; Bulletin advertisements, Ralph W. Lee III; and catastrophe, Herbert Pasewalk.

Other committee chairmen named are Mr. Block, program; Charles Baker, casualty and I-Day; Theodore Beuermann, budget and finance; Victor Schinnerer, Douglas Wallop Jr. and William A. d'Espard, co-chairmen, agents' advisory; Mr. d'Espard, legislative; Walter Neighbors, educational; Gerald K. Cassidy, fire safety and accident prevention; Mr. Pasewalk, grievance; Francis Marks, fidelity and surety and property insurance; Walter Schilling, membership; Hubert Newson, attendance and hospitality; and Richard Walsh, advertising and publicity.

Set Zone IV Dates

Commissioners of Zone 4 of NAIC will meet Sept. 25-26 at the Plankinton House, Milwaukee. Jensen of North Dakota is chairman of the zone, and O. R. Ware of Northwestern Mutual Life is in charge of the local arrangements.

J. S. Crosby & Co., 98-year-old Grand Rapids, Mich., agency, has moved from downtown to suburban offices at 645 Cherry street.

Many Americans to Go to Marine Meeting

Many American insurance men will attend the annual conference of International Union of Marine Insurance Sept. 9-15 at Monte Carlo. Those who will represent American Institute of Marine Underwriters are Owen Barker, president of the institute; Madoe Pease of M. M. Pease Offices; Miles F. York of Atlantic Mutual; Harold Jackson of William H. McGee & Co.; John T. Byrne of Talbot Bird & Co.; George Inselman of Marine Office of America; Thomas Torrey of North America; and Carl McDowell of the institute.

Among the subjects to be discussed are recoveries from insurers, extent of cover after discharge of cargo, loss prevention, clean bills of lading, the inland hull committee, and freedom of insurance. There will also be council meetings on relations with other international organizations, hull business, cargo business, nuclear fission, the St. Lawrence seaway, danger to shipping due to changing climatic conditions, legal problems, domestic matters and election of officers. Among the social events planned are a cocktail party and dinner and the annual banquet. All meetings will be at the Hotel Hermitage.

Omaha Insurer Sets Up Direct Telegraph System

Mutual Benefit H.&A. and United Benefit Life have installed a direct connection with the Western Union system from Omaha to Kansas City that gives the companies the same facilities as a Western Union office and is expected to effect a time saving of up to 50% in telegraph transmission. An automatic selection device routes messages to their destination without manual handling, making the installation independent of the local office and other relay points.

This type of Western Union installation is only practical for accounts during a large volume of telegraphic business, and Mutual and United are the largest account in the Omaha area, handling an average of 125 messages daily.

Tex. Local Boards Elect

Four Texas local associations have recently elected new officers. The boards and their officers are:

Brazos County—W. J. Douglas Jr., president; Kay Halsell, vice-president, and K. A. Manning, secretary.

Breckenridge—Blake Johnson Jr., president; William R. Black, vice-president, and Howard A. Swanson, secretary.

Brownsville—Ray Hughston, president; Howard K. Cummins, vice-president, and Joseph Ingram, secretary.

Marshall—J. C. Quick, president; Earl Rhoades Jr., vice-president and Miss Eva Lancaster, secretary.

Insurance Classes at L.A.

LOS ANGELES—UCLA extension division will start a fall program of classes on insurance, beginning Sept. 10. Instructors will include F. L. Brenin, special agent of Fidelity & Casualty; H. H. Star, local agent; B. H. McBirney, assistant manager of Fidelity & Deposit; D. A. Campbell of California industrial accident commission, and C. M. Moliter, assistant manager of National Union.

Holmes Meade, president of the Meade Co. general agency of Topeka, since it was founded 35 years ago, has been elected chairman, and George T. Stabbler Jr., who has been vice-president since 1945, succeeds Mr. Meade as president.

The Bath agency and the Witwer agency of South Bend have been merged and the surviving name will be Bath agency with Thomas E. Bath as president.

NFPA Publishes Booklet on Forest Fire Control

National Fire Protection Assn. has published a booklet on forest and brush fire control and has revised its standard 601, *The Watchman*.

The 80-page forest fire booklet, *Equipment and Organization for Fighting Forest, Grass and Brush Fires* is illustrated and divided into six chapters covering background of community equipment needs, hand tools for fire fighting, powered fire fighting equipment, power pumping equipment and hose, chemicals and housing and care of equipment.

Revisions in *The Watchman* deal with the frequency of watchmen's rounds in difference types of plant operations.

Both publications are available from the association at 60 Batterymarch street.

Travelers Makes Several Changes

In casualty, fidelity and surety, Elton W. Stutzman has been named assistant casualty, fidelity and surety manager at Rochester, N. Y.

Three field supervisors have been named, Thomas F. Shepherd, casualty, fidelity and surety and fire and marine, at New Orleans, Paul L. Jack, casualty, fire and marine at Montreal, and Joseph W. Loeffler, fidelity and surety, Milwaukee. Russell B. Adams Jr., field supervisor at San Francisco, has been transferred in the same capacity to Oakland.

Teletrip To Sell at Pittsburgh Airport

Teletrip Policy Co. has been given permission to do business at greater Pittsburgh airport. Previously Hale & Hale, Pittsburgh agency, has had a five-year contract with the county to handle the air trip policies at the airport. Hale & Hale represent Washington National.

Hale & Hale's contract was not exclusive but it has been the only firm selling air trip policies at the airport since the field opened. The five-year contract ends next year.

Combined Names Coleman

Charles Coleman has been appointed agency secretary of the disability department of Combined of Chicago. He joined Combined in the accounting department seven years ago and for the last four years has been cashier for the company.

Combined Group Has Gains

The companies comprising Combined of Chicago Group in the first six months had premium volume of \$6,176,199, a 19% increase over the \$6,849,735 of the same period in 1955. The percentage increase of Combined of Chicago was 17, for Hearsthouse of Massachusetts 30, Combined American of Dallas 19, and First National Casualty of Wisconsin 38.

Potatoes Fall Under IM in N.D.

The North Dakota department has amended the nationwide definition as adopted in that state to include the potato growers floater policy within the inland marine classification.

Michigan Mutual Auto has joined Michigan Insurance Information Service, bringing membership to 12 companies.

Preferred Risk Mutual of Des Moines, the insurer of teetotaler drivers, had premiums in the first six months of \$3,847,000, an increase of \$700,000 over the same period of 1955.

Best Insurer Stocks Still Choice Investment

(CONTINUED FROM PAGE 1)
be more supervision of the local, independent agent, the sales force of the agency companies. This implies training of such agents—at company expense—and possible expenditures by agency insurers to induct top grade men into the local agency business.

Returning to fire and casualty stocks, there should always be a place in the portfolio of investors for the stocks of the handful of superior underwriting plants, Mr. Middendorf is convinced. These are the companies with the strongest agency forces built up over many years and with long records of highly satisfactory underwriting profits through thick and thin. These are the pure compound interest machines, and the sockholder will realize the benefits.

Those companies with less strong agency forces and poorer underwriting results, more vulnerable to direct writing competition and wide swings in the rate cycle, will unquestionably not have the same long-term results. The alert companies, which are the strong companies of the past, will meet the present threats with the agility with which they have met prior pressures and should lose very little of their fundamental position.

Temporarily, it appears to Mr. Middendorf that even the best companies will have only average success market-wise in the light of the results of the first six months. It may be six months to a year before these stocks can make any substantial progress. Meanwhile, several of the lower quality stocks would appear to be vulnerable to still more declines.

Two Join DIA

Robert E. Miles has joined Detroit Insurance Agency as casualty engineer and George R. Nyquist has gone with DIA as fire engineer. Mr. Miles has been Michigan supervisor of the safety engineering department for St. Paul F. & M. group and before that was with the continental Casualty. Mr. Nyquist for 4½ years has been with Michigan Inspection Bureau as fire engineer and also has had experience with National Fire as Missouri special agent.

Hoppensteadt Named by Allstate

Edward L. Hoppensteadt has been named systems development manager of Allstate. He has been services manager of the eastern zone territory. He joined Allstate in 1946 as an underwriter in the midwest zone office.

Allstate Promotes Campbell

Melfort J. Campbell has been promoted from services manager of Allstate at Milwaukee to operating manager of the midwest zone territory. He joined Allstate in 1950.

Becomes Educators' Special Agent

Educators Mutual has named William Lawrence special agent in the commercial department. Previously he was an agent of Monarch Life, Union Mutual and Provident Life & Accident.

A. Terrence Conlisk, who has been in Pittsburgh for a year, has rejoined the Picton-Cavanaugh general agency of Toledo as a member of the sales division. For 12 years before going to Pittsburgh he was a member of the agency's executive staff.

The W. A. Haigler agency of Colorado Springs has been sold to the Bennett & Shellenberger agency of that city by Mr. Haigler's estate. W. A. Haigler, who had succeeded to his father's agency, died recently after a long illness.

FOR SMALL CASES— BIG CASE TREATMENT

Small Group cases have a tendency to grow into large Group cases in today's economy. And when they do grow, they stay with the original insurer—IF that insurer gave them big case benefits.

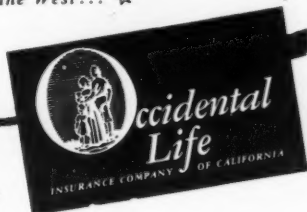
Now—these big case benefits and this big case treatment are available on 10 to 50 life Groups under Occidental's new "Group Life at 10" program.*

Life insurance in amounts up to \$20,000
Instalment disability benefits up to \$20,000
Life Insurance for dependents
24-hour Accidental Death and
Dismemberment up to \$10,000 . . . and
Competitive rates with volume discounts.

New sales kits are ready. The small group case that gets started with Occidental's big case treatment will stay—and grow!

*State laws permitting, of course.

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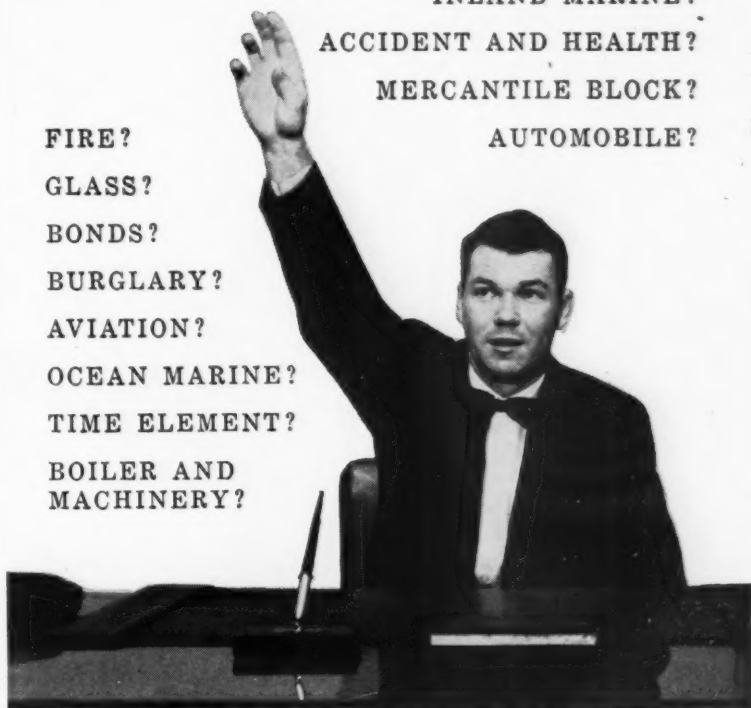
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REPORT ON STATE FARM / Sales Promotion



6 LITTLE PAGES... AND HOW THEY GREW

HOW NATIONAL ADVERTISING AND SALES PROMOTION WORK TOGETHER TO HELP STATE FARM AGENTS SELL

Because the ad pictured above was the *first* multi-page advertisement ever to run in Reader's Digest, there were no yardsticks available to measure its tremendous effect.

Yet research studies showed that the ad did its job remarkably well. Not only did it introduce State Farm insurance to hundreds of thousands of new prospects, but strengthened the reputation and prestige of State Farm in the minds of hundreds of thousands more.

But that's only half the story. The sales promotion kit pictured at right—sent in advance to more than 7000 agents—contained a complete set of selling tools and ideas to help agents take advantage of the interest the ad would arouse.

For example, one item was a 20-page book-

let containing Reader's Digest articles on motoring, plus the six-page ad. To date, State Farm agents have bought more than 800,000 copies to give clients and prospects. Policyholders have requested more than 100,000 copies be sent to their friends. More requests pour in each day.

This six-page ad and the promotion that multiplied its influence show how potent advertising, continuing research and vigorous sales promotion are combined to give State Farm agents every help in their selling. Certainly one of the reasons why State Farm Mutual insures more cars than any other company in the world.



If you would like a free copy of the 20-page booklet described above, or more information about any aspect of State Farm operations, simply write: Director of Public Relations, State Farm Mutual Automobile Insurance Company, Home Office, Bloomington, Illinois.

